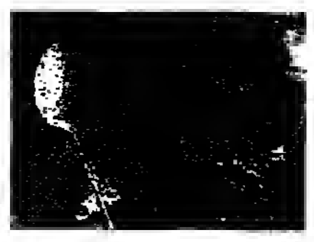
FINANCIAL TIMES

Elections in Norway
Squabbles over uses for oil wealth
Page 2

Ethical dilemmas
The choice between right and right
Management, Page 10



Barrick Gold
Meeting the price challenge
Page 22

FT WEEKEND
Who were the first Americans?
TOMORROW

World Business Newspaper http://www.FT.com FRIDAY SEPTEMBER 12 1997

WORLD NEWS

Russian legal chief probes 'gift' to ex-head of privatisation

Russia's chief legal officer opened an investigation into a $100,000 honorarium received by former privatisation chief Alfred Kokh, who resigned a few weeks ago. Page 2

IRA unhappy about talks
The IRA distanced itself from the pledge given by Sinn Fêin, its political wing, to forswear violence, saying it would have "problems" with conditions attached to talks on the province's future. Page 8

Albright in peace call
US secretary of state Madeleine Albright called on Israel to defer expanding or building new settlements in a bid to salvage the peace process. Page 4

Swiss ease property rules
Switzerland relaxed its strict rules on foreign ownership of property in a bid to boost foreign investment. Page 3

Direct sales for Online music
America Online is to enable its 9m users to buy music delivered directly to their personal computers. Page 5

'Millennium bomb'
New York faces significant disruption at the turn of the century as a consequence of the computer "millennium bomb", research shows. Page 5

British Steel shifts to rail
British Steel is to shift the transport of 500,000 tonnes of steel coil a year from road to rail. Page 8

Convict in Tokyo cabinet
Japanese prime minister Ryutaro Hashimoto named a cabinet that included a politician convicted for taking bribes. Page 6

Pyongyang agrees to talks
North Korea agreed to hold further talks with South Korea, the US and China, to seek a formal end to the 1950-53 Korean war. Page 6

US acts in Lebanon fighting
The US has intervened in fighting in southern Lebanon between Israeli occupation forces and Lebanese Islamist guerrillas, Lebanon claimed. Page 4

Cuba arrest in bomb campaign
Cuba arrested a Salvadorean "mercenary" it says was paid by a Cuban exile group to plant bombs in Cuban hotels. Page 5

Beijing to curb N-exports
China is to tighten controls of exports of nuclear equipment and materials. Page 6

China's leaders meet
China's top politicians convene today and are expected to solidify support for the leadership and back the sale of state enterprises. Page 6

Bangladesh fears for jobs
Bangladesh said up to 1m textile jobs were at risk after almost 7,000 fraudulent export licences to the European Union were withdrawn. Page 3

Agreement on Kenya reforms
Kenya's ruling Kanu party and the opposition agreed on the repeal or amendment of laws giving President Daniel arap Moi the upper hand in parliamentary elections. Page 4

Mexico eyes oil sector
Mexico insists there is much private interest in the country's petrochemical sector, although rules to open it to private investment have still not been announced. Page 5

Union backs smelly gas
A proposal to reduce the smelliness of UK gas was denounced as dangerous by a gas workers' trade union. Page 7

BUSINESS NEWS

Europe's banks enjoy surge in revenues from currency deals

Foreign exchange revenues surged at almost all big European banks in the first half, confounding those who predicted the start of a currencies industry downturn. Deutsche Morgan Grenfell and Swiss Bank Corporation raised currencies and related revenues by 40 per cent. Page 16; Currencies, Page 25

Renault announced sparkling first-half figures. The French carmaker's net profits surged to FFr1.67bn ($276m) from FFr158m a year ago. Page 17

The Bank of Tokyo-Mitsubishi will make a net loss of about Y900b ($7.56bn) – one of Japan's biggest ever corporate losses – after writing off bad loans of Y1,076bn. Page 17; Lex, Page 16; Bad debt nettle, Page 18

Siemens, German engineering group, has narrowed contenders for its defence electronics business to Thomson CSF and a Daimler-Benz/British Aerospace joint bid. Page 17

BTR, UK-based conglomerate, plans to raise more than £2.8bn ($4.5bn) by selling businesses that account for 36 per cent of group sales and employ about 31,000 people. Page 17; Lex, Page 16; Results, Page 23

Banana trade row: The US insists the European Union dismantle part of its banana import regime. The World Trade Organisation ruled the EU regime broke trade rules. Page 3

Psion, UK handheld computer company, licensed its operating system to Philips. It will be used in a smart portable phone that can handle faxes.

US corporations want wide freedom for companies to organise their boardroom affairs – in contrast with recent calls for stricter corporate governance. Page 16 and Lex

Peregrine Securities' South Korean partner Dongbang has sold its share in their joint venture to a highly leveraged construction group. Hong Kong-based Peregrine says the transfer is unacceptable. Page 17

Burns Philp, Australian food group, said a A$175.5m abnormal loss put full-year figures further into the red. Page 18

JCI, South African mining house, is to demerge its core gold business from its base metals interests. Page 20

Toyota, Japanese carmaker, is to consolidate Teleway Japan as a subsidiary, after moves to wipe off the telecoms company's recurring losses. Page 18

Chicago Mercantile Exchange has detailed a potential scheme for it and the rival Chicago Board of Trade to pool clearing activities. Page 21

Hughes Space and Communications International of the US has won a $1bn satellite system contract from an Abu Dhabi concern. Page 21

Romania selected four west European companies to bid for a concession to build and run the main Bucharest-to-Black Sea motorway.

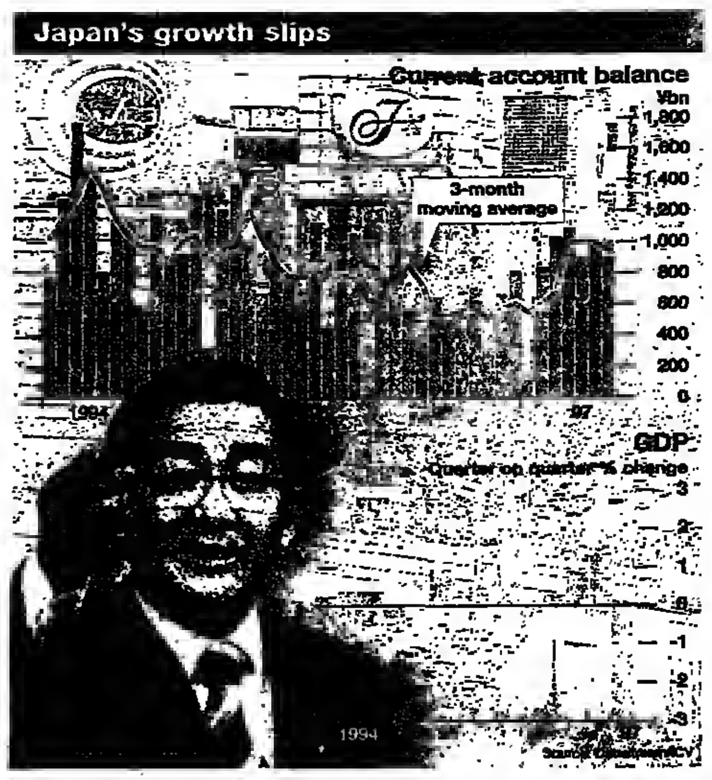
GEC Alsthom won a FFr937m ($154m) order for 80 double diesel-electric railcars from Belgium's Société Nationale des Chemins de Fer Belges.

Dutch listed companies are failing their shareholders by not being transparent or accountable enough, said finance minister Gerrit Zalm. Page 2

Pressure to stimulate domestic demand now likely to increase

Japan's GDP falls 2.9% after slump in consumption

Japan's growth slips



By Michiyo Nakamoto in Tokyo

Japan's gross domestic product fell by 2.9 per cent in the three months to June 30, an annualised rate of 11.2 per cent, the biggest drop since the downturn caused by the oil price crisis in 1974.

The fall exceeded forecasts by the government and private economists. It was attributed mainly to a sharp slump in personal consumption in the wake of a tax rise, increased social welfare costs and continuing uncertainty about the economic outlook.

Shimpei Nukaya, administrative vice minister of the government's Economic Planning Agency, said the decline would make it difficult for Japan to achieve the official target 1.9 per cent annual growth in the current fiscal year to March 31 1998.

The figures are likely to increase the pressure both at home and abroad on the government to stimulate domestic demand rather than rely on export growth for economic recovery.

In the three months to June, weak domestic demand pushed real GDP down 4 per cent, while exports boosted it by 1 per cent.

Ryutaro Hashimoto, the prime minister, who yesterday named a new cabinet after being confirmed by his ruling Liberal Democratic Party as party chief, said the cabinet would spur economic reform.

The figures follow public suggestions early this week by Lawrence Summers, the deputy US treasury secretary, that the US wanted Japan to do more to stimulate domestic demand and avoid export-led growth.

Foreign pressure is likely to increase when the Group of Seven finance ministers meets in Hong Kong next week.

Other figures published yesterday showed that Japan's current account surplus surged 62.7 per cent to Y906bn ($7.6bn) in July, the fourth consecutive monthly year-on-year increase, supported by a weak yen and strong exports of vehicles and office equipment.

A senior US official attending bilateral trade talks in Tokyo said Japan's rising trade surplus with the US was adversely affecting trade relations between the two countries.

Hiroshi Mitsuzuka, Japan's finance minister, said the sharp contraction in GDP in the April-June period was mainly the result of "fiscal reform", referring to the increase in consumption tax from 3 per cent to 5 per cent that took effect in April.

He said be expected growth to accelerate in the second half of the year. Mr Mitsuzuka acknowl-

Continued on Page 16
Editorial Comment, Page 15
Lex, Page 16
Bank of Tokyo-Mitsubishi losses, Page 17

Groups in $250m 'super' chip project

By Louise Kehoe in San Francisco

Leading US chipmakers are joining forces with government laboratories to create technology for a new generation of computer chips one hundred times as powerful as those used today.

The research partnership, announced yesterday, is the biggest of its kind undertaken in the US. It will be led by Intel, the world's largest chipmaker, together with Advanced Micro Devices and Motorola. The companies will invest a total of $250m over the next three years.

The partnership – which links companies with US Department of Energy laboratories – was "a premier example of how public-private partnerships should be crafted in the future", said Federico Peña, US energy secretary.

Tha project will develop manufacturing processes needed for commercial production of chips with circuit elements less than 0.1 micron wide, or approximately 1/1000th the thickness of a human hair. A micron is one millionth of a metre.

Most chips sold today are built using 0.35 micron technology. Just this week, Intel introduced the first chips manufactured using the latest 0.25 micron technology. By shrinking the dimensions of circuit elements, chipmakers can cram more transistors on to a chip and thus build more advanced products. Smaller circuits also use less power and dissipate less heat.

Research for the project will be shared among three US Department of Energy laboratories: Lawrence Livermore National Laboratory and Lawrence Berkeley National Laboratory, both in Berkeley, California, and the Sandia National Laboratory in Albuquerque, New Mexico.

Japanese and European semiconductor equipment manufacturers will also play an important role, including Nikon of Japan and ASM Lithograpby, a subsidiary of Philips of the Netherlands.

Intel said it was critical to involve these companies, which are world leaders in lithography – a core process in chipmaking – to ensure that new technology could quickly be brought into commercial use.

The research project will focus on the use of "extreme ultra violet" light to create circuit patterns on chips. EUV has shorter wavelengths than the ultra violet light sources currently used. Other more long-term approaches involving X-rays and electron beams which might enable even smaller circuit dimensions are also under development in the US and Japan. The new research partnership would enable US chipmakers to continue to provide ever more powerful computer chips at a continually lower price, said Gordon Moore, Intel co-founder and chairman emeritus. "We hope through these research efforts to invent the future once again."

Chips created using 0.1 micron technology might be used to improve the performance of the fastest supercomputers or to power desktop computers that recognise their users and respond to the spoken word.

Microsoft takes stake in speech technology company

By Louise Kehoe in San Fransisco and *Paul Taylor in London*

Microsoft, the world's largest software group, has paid $45m for an 8 per cent stake in Lernout & Hauspie Speech Products, a Belgium-based speech technology pioneer.

Microsoft is taking the minority stake to speed up the development of speech-enabled software, including the Windows computer operating systems.

Voice technology is one of the fastest growing segments of the information technology industry. Lernout & Hauspie, set up 10 years ago, is one of the market leaders with International Business Machines and Dragon Systems, both of the US.

All three companies have recently made great strides in developing products that can understand ordinary, continuous speech. Some industry estimates say the market for continuous speech products could reach $2bn within four years.

Gaston Bastiens, chief executive of Lernout & Hauspie, said: "With this agreement we will be able to get speech embedded in the Microsoft platform much more quickly."

Bill Gates, Microsoft's chairman, believes future generations of computers will need to be speech-enabled if they are to reach a much wider audience.

Although Microsoft and Lernout & Hauspie have worked together for a number of years, the latest agreement, described as "a broad strategic alliance", will involve the two companies working much closer together and sharing their technologies.

Microsoft, which spends about $2bn a year on research and development, has already invested heavily in speech recognition and speech synthesis.

"The goal is to make computers very much easier to use," said Kevin Schofield, Microsoft's manager of speech research. Ultimately, Microsoft aims to create software that will enable personal computers to understand the spoken word and respond in a natural sounding voice. Computers would eventually not only

Continued on Page 16

Tabacalera reclaims leadership in cigars

By David White in Madrid

The Spanish company that pioneered the cigar business 300 years ago is buying its way back into world leadership in the sector for about $367m.

Tabacalera said yesterday it had reached agreements in principle that would give it 25 per cent of the US market for large cigars.

Tabacalera is a state-controlled company. It operates an effective distribution monopoly on tobacco products in Spain and dominates Spanish production. It claims to have been the first to manufacture cigars in the 17th century at its old factory in Seville.

The group is buying the assets of the cigar division of Havatampa, based in Florida, and taking over Tabacalera San Cristóbal de Honduras and Tabacalera San Cristóbal de Nicaragua, two central American producers. The Havatampa deal accounts for most of the investment.

The plan includes the $53m acquisition of Max Rohr Importers of California, announced two months ago. This deal, involving a top US distributor of up-market cigars, should be completed by the end of next January.

Tabacalera is on the centre-right government's privatisation

Continued on Page 16

Markets

STOCK MARKET INDICES

New York: lunchtime		
Dow Jones Ind Av	7,594.32	(-124.96)
NASDAQ Composite	1,621.93	(-17.32)
Europe and Far East		
CAC40	2,843.69	(-30.97)
DAX	3,972.65	(-77.59)
FTSE 100	4,854.8	(-50.4)
Nikkei	18,282.23	(-422.54)

US LUNCHTIME RATES

Federal Funds	5½%
3-mth Treas Bills: Yld	5.093%
Long Bond	96
Yield	6.680%

OTHER RATES

UK: 3-mo Interbank	7¼%	(7¼%)
UK: 10 yr Gilt	102.1563	(102.093)
France: 10 yr OAT	99.45	(99.64)
Germany: 10 yr Bond	102.37	(102.59)
Japan: 10 yr JGB	106.61	(106.78)

NORTH SEA OIL (Argus)

Brent Dated	$18.315	(18.23)

GOLD

New York: Comex		
Sep	$324.2	(321.7)
London:	$322.75	(321.30)

EXCHANGE RATES

Dollar		
New York: lunchtime		
£	1.59845	
DM	1.7810	
FFr	5.9672	
SFr	1.4723	
Y	119.515	
London:		
£	1.5881	(1.5863)
DM	1.7915	(1.8015)
FFr	6.0205	(6.0584)
SFr	1.4774	(1.4821)
Y	119.77	(119.149)
Tokyo close		Y 119.20
Sterling		
DM	2.8451	(2.8577)

London · Leeds · Paris · Frankfurt · Stockholm · Madrid · New York
Los Angeles · Tokyo · Hong Kong

9 770174 736159
37

Inside

COMMENT & ANALYSIS

- **Japanese economy boxed in** Editorial, Page 15
- **Swedes loosen purse strings** European news, Page 2
- **Carl Bildt on Bosnia** Personal view, Page 14
- **Sweden's wealth tax** Editorial, Page 15

India has high ambitions for impending satellite launch

- **Crunch time for Japanese banks** Asia company news, Page 13

TECHNOLOGY

- **India's satellite ambitions** Asia news, Page 6
- **Online music sold direct** American news, Page 4

EMERGING MARKETS

- **Thai investors hold their breath** World stock markets, Page 36
- **Venezuela's Brady buy-back** International capital markets, Page 24
- *Emerging markets at a glance* Global equity markets, Page 35

FINANCE

- **Minorco's cost-cutting** Lex, Page 16
- *BTR's big sell-off* Page 17

Probe of 'gift' to Russian reformist

By Chrystia Freeland in Moscow

Russia's chief legal officer yesterday said he had opened an investigation into a $100,000 honorarium received by the former privatisation chief. The move threatens to sully the political reputation of the government's reform team.

The investigation will focus on the advance which Alfred Kokh, who resigned a few weeks ago as head of Russia's privetisation agency, received last year for a book on Russia's privatisation process. The book, which has not yet been published, was commissioned by an obscure Swiss company.

The hefty advance for an unpublished book, which Mr Kokh disclosed earlier this year after President Boris Yeltsin signed a decree requiring all officials to reveal their incomes, provoked heated speculation in the Russian press about the motives behind the Swiss company's largesse.

Yuri Skuratov's decision to investigate the former minister's literary income comes at a time of mounting conflict in Russian political and business circles over the privatisation process overseen by Mr Kokh.

The Russian parliament last week voted in establish a commission to investigate charges of impropriety in two big state sell-offs that took place over the summer. Influential Russian financiers who lost ont on the deals have accused Mr Kokh of favouring Oneximbank, the winner of the two tenders, but government officials have dismissed their complaints as sour grapes.

Anainly Chubais, first deputy prime minister and architect of Russian market reforms, has strongly defended Mr Kokh, with whom he has worked closely since the beginning of Russia's market transformation.

A few days after Mr Kokh quit, President Yeltsin appeared to add some credence to the charges. "The scandal around Svyazinvest and Norilsk Nikel [the two summer privatisations] is connected in the fact that a number of banks are closer to Kokh's soul," Mr Yeltsin said in remarks broadcast on national television. "That is not the way it is done. Everything must be honest, open and built on legal principles."

The prosecutor's decision to open an investigation into Mr Kokh's income suggests the controversy is likely in bubble on for some time.

The reform team in the cabinet was apparently expecting a fresh attack on Mr Kokh. In a story leaked this week to Izvestia, the Russian daily newspaper, senior officials warned Mr Kokh would be "the first victim" in a campaign by disgruntled bankers to discredit the reformers.

But Russian and western analysts said that, although the uproar might be politically motivated, it was not unjustified. "The evidence against Kokh is very heavy," said Andrei Piontkovsky, head of the Centre for Strategic Studies, a liberal Moscow think tank. "He admits that he got $100,000 for an unwritten book from an obscure publishing house... He certainly has many ideological enemies, but he himself is responsible for his stupid actions," Mr Piontkovsky said.

Political pressure 'likely to hit ECB'

By Frederick Stüdemann in Berlin

The Bundeshank's chief economist warned yesterday that political pressures resulting from high unemployment in Europe could make it hard for the future European Central Bank to pursue tight monetary policies after it comes inin being in 1999.

Ottmar Issing, the Bundesbank' chief economist, said it was a "nice idea" that the ECB, which will begin operations with the launch of European monetary union, would start off with a show of strength. But the actual implementation of snch policies would be difficult against the backdrop of high unemployment in most of the states likely to join Emn in the first wave.

As well as political pressure to pursne policies aimed at alleviating unemployment, the ECB would also face the challenge of winning the trust of the pnhlic, he said. In Germany, the Bundesbank hed heen ahle to achieve this over several decades, with the result thet even when the bank made restrictive decisions there was a large level of understanding for its ections.

Mr Issing said that in the present stage of preparation for Emn central banks would have in pursue sound policies to "deliver a stable environment" to the ECB. "If yon want stahility for the euro, you have in start working now," he said.

Mr Issing, who was speaking at a conference of academics and central bankers in Berlin organised by the European Summer Institute, also warned of the threats in Emn from speculation in the financial markets between spring 1998 and the launcb date of January 1, 1999. Spring 1998 is tbe time when the decision will be taken on which countries are to participate in the first wave of monetary union.

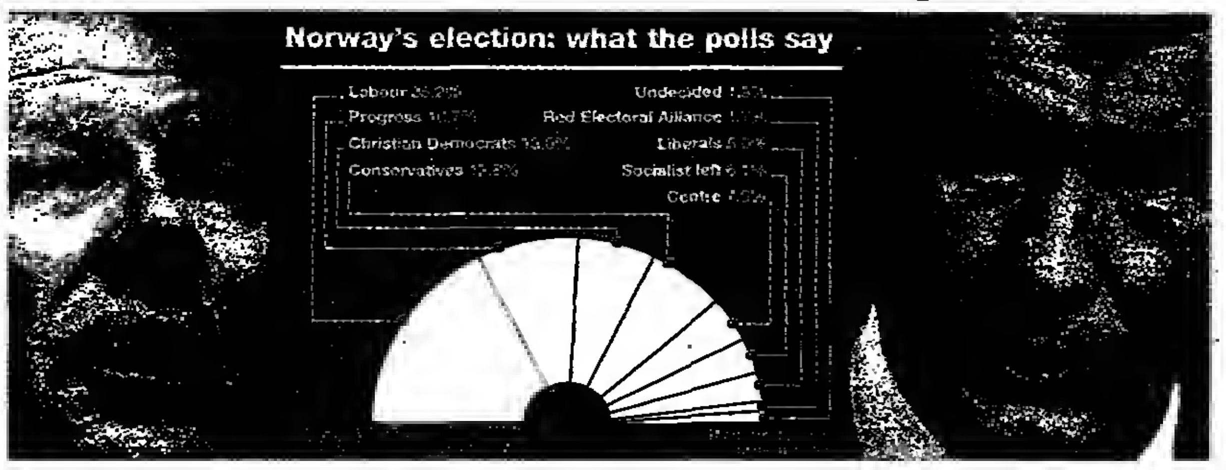
To address this threat, Mr Issing said the conversion rates for the euro should be set at the same time as the participants were chosen. "A credible announcement of hilateral exchange rates as early as countries are selected will make speculation meaningless, and violent exchange swings now won't become the basis of the conversion rates," he said.

Regarding the rise in German inflation – which in August advanced in 2.1 per cent, op from 1.7 per cent in July – Mr Issing said the Bundesbank was concerned the trend was "moving in the wrong direction", hnt said events were "not dramatic".

Emu prospects, Page 15

Norway's premier keeps election focus on threat from far right

By Tim Burt in Sorumsand, Norway



Thorhjorn Jagland worked the campaign crowd in Sorumsand with practised ease, pausing outside the town's high school to shake hands with voters and listen intently to their complaints.

The Norwegian prime minister, according to his aides, had been hearing the same question up and down the country: why is one of the world's richest economies burdened with long hospital waiting queues, schools in need of repair and elderly people uncared for?

Although vowing to increase spending on health and education, Mr Jagland had a different message for Sorumsand, a quiet town on the hanks of the Glomma River, east of Oslo. The Labour party leader – in one of his last speeches before Monday's parliamentary elections – focused instead on the threat posed by opposition parties to Norway's international status.

"We are a little nation in the north of Europe, but we have an important role to play on the international stage," he said, citing Norway's contribution to Nato peacekeeping and its influence as one of the world's largest oil and gas producers.

Mr Jagland believes that the seven opposition parties could put thet influence at risk by pursuing policies designed solely in win votes at home. But be reserves special criticism for the far-right Progress party which is led by Carl Hagen.

Mr Hagen has rattled the government by winning growing support for his programme of sharply increased welfare spending, tougher asylum laws and increased prison sentences. His party also advocates compulsory tuition in the Norwegian language for immigrants and easing hospital waiting lists hy sending patients overseas for treatment.

Such policies have helped the Progress party emerge as the main threat to Labour, with the latest polls indicating it could win almost 17 per cent of the vote.

Mr Hagen wants to siphon NKr6bn-Nkr8bn ($800m-$1bn) from Norway's estimated NKr50bn government petroleum fund to pay for tax cuts, cheaper petrol dnties and increased elderly care. "We are tired of Norway being run like a private company and simply stashing its wealth away for a rainy day," he said. "Making money seems to be the objective of this government."

The government says it will not give up tight fiscal policies or reverse the decision to invest petroleum fund revenues in international equities – a strategy designed to underpin state revenues when Norway's oil starts to run out.

Among the other opposition parties, there is ill-concealed irritation that the campaign has developed into a Labour-Progress race, especially as Mr Hagen admits that his party is unlikely to muster enough votes to form even a minority government.

Anne Enger Lahnstein, leader of the Centre party, thinks Mr Jagland has cleverly shifted attention away from criticism of the government on to fears of a Hagen-led rightwing government. She has a point.

By agreeing to a TV debate only with Mr Hagen, the prime minister has avoided tough questioning from the other party leaders – three of whom have drawn up an informal agreement to forge a centre-right coalition to unseat the government.

If the Centre party could agree a common platform with the Christian Democrats and the Liberals, it would represent a far more credihle threat to Mr Jagland than the protest voters flocking to the Progrese party.

But forging such a coalition is easier said than done. The Centre party does not agree with some Christian Democrat policies emphasising family values, while the Liberals are opposed the Centre's tax-raising plans. The opposition, moreover, has failed to mount an effective attack on a government that has overseen falling interest rates, low inflation and a growing budget surplus.

The prospect of post-election horse-trading among the opposition parties has allowed Labour campaign managers to assert that only another Lahour victory promises political stability. Even if the government fails to increase its share of the vote on the 36.9 per cent achieved four years ago, opposition splits could enable it in limp on.

"The result of the election might not become clear for some time," said one senior Jagland aide. "In ths absence of a viahle alternative, the government will simply continue in office."

In Sorumsand, most voters seemed ready to accept another Labour term rather than risk a period of upheaval.

Ketil Os, deputy principal of the high school, believed that he spoke for most of his teaching colleagues when he said: "One thing Norwegians do not like is change, and that could turn out to be the government's strongest weapon."

Swedes loosen purse-strings

The SDP is catching election fever, reports Greg McIvor

Delegates at this week's Swedish Social Democratic party congress have had a spring in their step. With the next geoeral election only one year eway, the party has pressed the spending button for the first time since winning power in 1994.

Scotching a finance ministry proposal to lower income tax, the prime minister, Goran Persson, launched a clutch of new spending measures centred on a SKr8bn ($1.02bn) cash injection for welfare and schooling. Child benefits, student grants and travel allowances were increased, while sickness benefit rules were eased. Delegates also voted in give full employment precedence over the government's goal of an annual 2 per cent budget surplus.

Conscious that the election clock is ticking, ministers have been determined to boost party morale after the bruising welfare cuts and rising unemployment of recent years.

"The feeling in the party is that they have taken too many steps in the direction of the market, and it is time to take a step back," said Ulf Jakobsson, director of the Research Institute of Industrial Economics in Stockholm.

Financial markets had discounted some expenditure increases, hy the congress, but the krona has weakened against the D-mark and bond yields have risen by several basis points.

Persson: boosting morale

Robert Prior-Wandesforde, Scandinavia strategist at HSBC James Capel in London, expressed surprise that market reaction had not been stronger. "There had been hopes that the SDP might have changed its spots, hnt these recent events may indicate this is not the case," he said.

Traditionally nnchallenged as Sweden's largest party, the SDP has seen its opinion poll ratings fall behind the opposition conservative Moderate party, led by Carl Bildt.

Mr Jakobsson said the government's commitment to fiscal prohity was not in doubt. However, he suggested the SDP had demonstrated its unwillingness to correct structural economic prohlems. These include Sweden's rigid labour market, high public sector spending and its tax hurden – the highest in the European Union, according to EU figures.

Victory in the election will hinge in part on the SDP's ahility to recover support lost to other leftist parties, which have cepitalised on disenchantment with spending cuts. Equally, the party must recover a leakage of support to centrist parties and the Moderates. Achieving this will not hecome easier if this week'e leftwards lurch is repeated during the next 12 months.

Editorial Comment, Page 15

CORRECTION

Swedish taxes

Our report yesterday on Swedish company taxation should have specified that the wealth tax payahle on stocks held on the stock exchange's main A list is 1.5 per cent. However, the basis on which the tax is applied was changed last year from 75 per cent to 100 per cent of shareholdings.

Pollution deals 'short on data'

By Hilary Barnes in Copenhagen

If voluntary environmental agreements between industry and governments are to be more widely used in Europe, their credibility and accountability must be improved, according to a two-volume report by the European Environment Agency.

The agency estimated that there were over 300 environment agreements in force in the European Union's 15 member-states. The Netherlands leads with about 100 agreements in place, followed hy Germany. The UK has only nine agreements, while Greece has none.

The report found that the absence of reporting and monitoring requirements in most agreements was a serious obstacle to assessing their impact on the environment.

The report included case studies of six agreements: a French project to increase recycling of cars and car parts, Swedish and Danish agreements for recycling packaging, a German agreement on measures to prevent global warming, a Dutch scheme to reduce chemicals pollution, and a Portuguese agreement on pollution in the pulp and paper industry.

But the absence of baseline data meant that only the Dutch agreement on chemical wastes could be assessed as: "might have been effective".

On the German agreement for reducing greenhouse gases by 20 per cent betwsen 1990 and 2005, the report said: "It runs the risk of achieving little more than an increase in the dissemination of information by industry associations . . . while resulting in many companies achieving little more than business as usual."

FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850. Fax ++49 69 596 4481. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. The shareholder of the Financial Times (Europe) GmbH is Pearson Overseas Holdings Limited, 3 Burlington Gardens, London, W1X 1LE. Shareholder of this company is Pearson plc, registered at the same address.
GERMANY:
Responsible for Advertising content: Colin A. Kennard. Printer: Hürriyet International Verlagsgesellschaft mbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu Isenburg ISSN 0174 7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
FRANCE:
Publishing Director: P. Maravigna, 42 Rue La Boétie, 75008 PARIS. Telephone (01) 5376 8254. Fax (01) 5376 8253. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN 1148-2753. Commission Paritaire No 67808D.
SWEDEN:
Responsible Publisher: Hugh Carnegy 468 618 6088. Printer: AB Kvällstidningen Expressen, PO Box 6007, S-550 06, Jönköping.

Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
R

Dutch companies failing shareholders, says finance minister

Warning over transparency

By Gordon Cramb in Düsseldorf

Dutch listed companies are failing their shareholders by heing neither transparent enough nor sufficiently accountable, Gerrit Zalm, the finance minister, said yesterday, in a warning to the country's business community that it needed further to improve corporate governance.

"In the Netherlands, shareholders of quite a few companies have little say in the composition of the board of directors and in the management's decisions," he told a conference in Düsseldorf.

"Good corporate governance can enhance both company performance and the functioning of the capital market. Therefore, if certain obstacles exist within the legal and economic framework in which companies operate, it is partly the government's responsibility to repair these flaws."

Highlighting the contradictions between the international ambitions of the country's corporate sector and the cloistered way in which many leading groups are managed, Mr Zalm argued that the imminent arrival of economic and monetary union in Europe required pressing changes.

"With the establishment of Emu eliminating foreign currency risk as a key factor in investment decisions within Europe, investors will increasingly focus on the way a company is run and on its effective performance," he said.

While stopping just short of pledging new laws, the minister added that "moderate changes in Dutch legislation can enhance good corporate governance institutions".

The Amsterdam stock exchange authorities and the Association of Securities-issuing Institutions set up a commission last year in look into these matters. The commission, headed by Jaap Peters, former chairman of the Aegon insurance group, made 40 recommendations but left it to individual companies in decide whether to adopt them.

The proposals ranged from ensuring greater independence for supervisory boards of non-executive directors to setting up a proxy voting system for shareholder meetings, which the country still lacks.

Mr Peters said in June he expected companies next year to make clear the extent of their compliance with his conclusions. But Mr Zalm, implying that these did not go far enough, called yesterday for the enfranchisement of shareholders in those quoted groups which allowed their equity to be traded only in the form of non-voting certificates.

He said that, along German lines, the Netherlands should consider making it possible for shareholders to vote out members of the – currently co-opted – supervisory boards.

NEWS DIGEST

Talks to restart on German tax

German government and opposition parties are expected to open a second round of formal parliamentary negotiations on tax reform next Thursday amid signs that a deal might be reached on a limited package of changes. Henning Voscherau, one of the opposition Social Democratic party's negotiators, indicated yesterday that agreement was possible on cutting non-wage labour costs.

The restarting of parliamentary conciliation procedures follows a failed first attempt in the summer.

Earlier this week, Wolfgang Schäuble, parliamentary leader of the governing Christian Democratic and Christian Social Union group, proposed a small reform package including cuts from 1998 in tax rates financed through the closing of loopholes. That marked a considerable retreat from earlier plans to secure net tax cuts worth DM30bn ($16.57bn) a year from 1999, which were blocked by the SPD in the Bundesrat, the second parliamentary chamber. *Ralph Atkins, Bonn*

■ INGUSHETIA

Security chief abducted

A group of armed men abducted the head of the Federal Security Service (FSB) and his deputy in Russia's north Caucasus region of Ingushetia yesterday, a local government spokeswoman said. "Both men were abducted by a group of armed masked men when they left the house where they lived in the morning," said the spokeswoman in Nazran, the capital of Ingushetia.

A spokesman for the FSB, Russia's domestic intelligence agency, confirmed the information, but declined to give details. "It is a well-planned provocation aimed at raising tensions and at breaking agreements on stabilising the situation in the region," Interfax news agency quoted an FSB spokesman as saying. An initial search-and-rescue operation failed to locate either the local FSB head, Yuri Gribov, and his deputy, Sergei Lebedinsky.

Nazran is only miles away from the border with Chechnya, the rebel region which is seeking independence from Russia and Chechens have been known to operate outside their territory. *Reuters, Moscow*

■ SLOVENIAN ECONOMY

Growth put at 3.5%

Slovenia's 1997 economic growth may fall below the 4 per cent forecast at the beginning of the year, the government Institute of Macroeconomic Analysis and Development said yesterday. "Current indicators show that the gross domestic product rise might only be about 3.5 per cent," Igor Strmsnik, deputy director of the institute, said.

He said it would still be possible to reach the growth target if economic activity, especially industrial output, improved by the end of the year. He noted it was unlikely GDP growth would come in under the 1996 level of 3.1 per cent. Slovenia's industrial output in the first seven months of the year rose by just 0.8 per cent, while the government based its 4 per cent GDP growth prognosis on an industrial output rise of 2.5 per cent for the whole of 1997. Mr Strmsnik said that current indicetors showed the 1997 retail price inflation rate would probahly reach the forecast 8.8 per cent and thus remain unchanged from last year. *Reuters, Ljubljana*

■ MAIZE IMPORTS

Brussels threatened with suit

The Austrian government has said it might file a suit at the European Court of Justice after the European Commission yesterday told Austria, Italy and Luxembourg to lift their import bans on genetically altered maize. Austria continues to see genetically altered maize as a potential health hazard.

The Novartis product was approved by the Commission in January. The Commission said that Austria had not provided any new scientific evidence that would justify a ban, but it said it would make further studies to see whether the maize, which is made more resistant to insecticides, would enhance resistance against parasites.

Barbara Prammer, minister for consumer protection, said Austria remained opposed to importing the product, and would either sue directly or refuse to lift the ban and wait for Brussels to file charges. *Eric Frey, Vienna*

■ BERLIN WALL

Krenz freed pending appeal

Egon Krenz, communist East Germany's last head of state, was released from prison yesterday pending his appeal against a six-and-a-half year sentence for manslaughter in connection with the killings of people at the Berlin Wall.

Although he has been set free, Mr Krenz, who was sentenced last month with two other members of East Germany'e Politburo, will not be allowed to travel freely within Germany or abroad. He can, however, visit his holiday home on the Baltic Coast. At his trial, which was the culmination of a series of legal initiatives to estahlish responsibility for the killing of people who tried to flee East Germany, Mr Krenz accused the court of carrying ont "victor's justice". He said if his appeal in Germany failed he would take his case in the European Court of Justice. *Frederick Stüdemann, Berlin*

■ SCIENTOLOGY

Court upholds sacking

A German court yesterday rejected a complaint brought by a psychologist who was sacked by a Berlin counselling service because of her links to the US-based Church of Scientology. The Berlin industrial tribunal said the woman's beliefs presented "the danger of partisan influence with the ideas of Scientology" on her patients, who it said were often in an impressionable state.

The sacking followed an incident in November 1995, when the woman used the counselling service premises to print out and distribute invitations to a Scientology workshop. She denied any involvement with Scientology or dianetics, its code of mental health, at the time, but later conceded that she also worked at a dianetics centre.

Germany does not recognise the Los Angeles-based Scientology church as a religion and in June provoked criticism by placing it under nationwide surveillance by anti-extremism watchdogs. *Reuters, Berlin*

■ MONETARY UNION

Italy backed for first wave

Jose Maria Aznár, Spanish prime minister, yesterday endorsed Italy's bid to make the first round of European monetary union at the end of a two-day summit in Bologna with his Italian counterpart, Romano Prodi. "Italy must be in the first round of monetary union... and the [European Union's] Maastricht Treaty criteria and timeframes must be respected," the Spanish leader said.

The warmth of the summit was in sharp contrast to a frosty meeting last year in Valencia. A year ago, financial markets had a dim view of Italy's chance of meeting the criteria for the single European currency, and Mr Aznár distanced himself from Italy's bid for membership. Since then, Italy has made substantial progress on single currency qualification targets such as controlling inflation, public spending and debt. The euro is to make its debnt in 1999. *AP, Bologna*

NEWS: EUROPE

Cabinet ponders Czech budget

By Robert Anderson in Prague

Tha increasingly fractious Czech cabinet is meeting in almost constant session to try to put together a balanced budget for next year as flooding and falling tax receipts push this year's budget deep into the red.

Vaclav Kleus, the prime minister, said the cabinet bad agreed to balance the budget and the draft would be completed next week and submitted to parliament by the end of the month.

However, the three government coalition parties, which rely on an independent MP for their majority and have their eyes increasingly on the next election, are finding it hard to agree on what will inevitably be painful measures.

Mr Havel is so worried that cuts may damage Czech preparations for Nato membership that he called the defence minister in earlier this week.

The central bank says that it wants the government to run a budget surplus equal to 2 or 3 per cent of gross domestic prodnct. Otherwise, it says, it will not be eble to lower interest rates from 14.5 per cent and ease the pressure on industry.

Bnt even balancing the budget will be difficult. In the past the Czech government has taken pride in running balanced budgets, but after a deficit of Kč1.6bn ($48m), or 0.4 per cent of GDP, analysts estimete it could reach 1 per cent this year.

Since the currency crisis in Mey and two austerity packages aimed at cutting the trade deficit, growth expectations have been cut from between 1 and 2 per cent and tax returns from industry have plummeted.

Matters were worsened by tha flooding in July. The finance ministry estimates it will cost tha budget Kč13bn-Kč14bn next year, including Kč9bn in lost revenue.

Now west leans on Croats to join poll

After successfully averting a Serb boycott of this weekend's Bosnian municipal elections, western mediators yesterday put pressure on Franjo Tudjman, tha Croatian president, to make sure the main Croat party takes part as well.

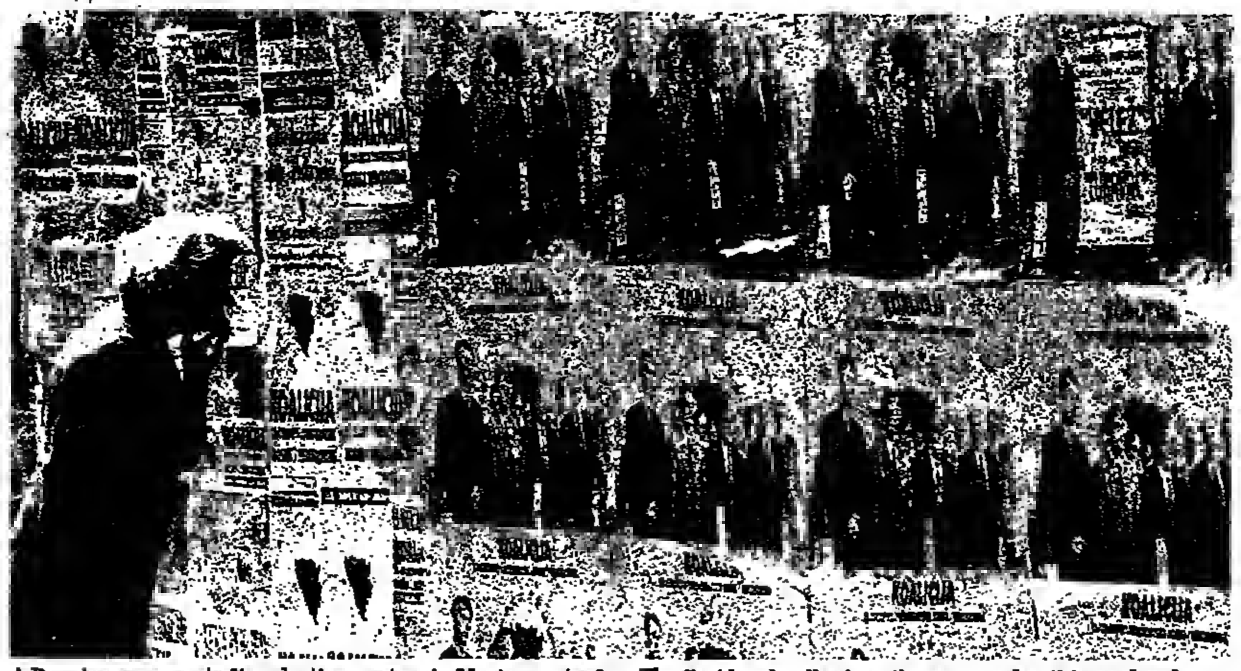
"We are bopeful that some solution will be found," Carlos Westendorp, the international community's High Representative to Bosnia, said after he and his deputy, General Jacqnes Klein of the US, met Mr Tudjman in Zagreb.

Diplomets said the Bosnian Croats risked losing international aid, and Croatia would jeopardise its hopes of full European integration, if the Bosnian wing of Mr Tudjman's Croatian Democratic Union (HDZ) pulled out of the voting tomorrow and Sunday.

Serb, Croat and Moslem nationalist parties see the vote as a battle for control of towns fought over during the 1992-95 war.

Bosnia'e 2.5m registered voters, many of them refugees, can vote for candidates in their towns of origin. The HDZ fears losing control of mainly Serb-populated areas aeized in 1995, while Moslems could win back towns captured by Serb and Croat forces.

A decision by the Serb Democratic Party on Wednesday not to boycott the elections followed talks in Belgrade between Mr Westendorp and Slobodan Milosevic, the Yugoslav president, wbo wields considerable anthority over the Bosnian Serbs. Nearly 3,000 Serb voters were added to registration lists after the talks.



A Bosnian woman studies election posters in Mostar yesterday. The first local polls since the war are due this weekend Reuters

Bosnia's first local elections for seven years, costing $14m and monitored by 2,500 observers, are seen as a crucial step towards trying to reintegrate the three hostile communities into one state.

But diplomats and commentators in Belgrade say the elections may have serious repercussions beyond Bosnia's borders. The vote in Bosnia, followed by elections in Serbia and Montenegro, will result in a new political alignment that could undermine the power of Mr Milosevic, the region's strongman.

Indecision over Neto's future role in Bosnia after the scheduled withdrawal of all 30,000 troops by next July, and differences among western governments over the merits of continued sanctions on rump Yugoslavia (Serbia and Montenegro), add to fears of instability.

"These elections will not decide anything," commented Stefan Niksic, an analyst for Nin, an independent magazine in Belgrade. "Political divisions will deepen. The future of Yugoslavia and this region will remain unsettled."

A new, moderate political alliance opposed to Mr Milosevic unites Biljana Plavsic, the western-backed Bosnian Serb president; Montenegro's reformist prime minister, Milo Djukanovic; and Zoran Djindjic, the mayor of Belgrade, whose Democratic party is leading a campaign to boycott Serbia's parliamentary and presidential elections on September 21.

"Slobodan Milosevic is accepted by the west, despite all its rbetoric and accusations, as the man it can do business with," Mr Niksic said, edding that this role as regional power broker may be drawing to an end, and with it his grudging popularity amoog Serbs wbo, ever suspicious of the west, still see Mr Milosevic as tbe strongest defender of their interests.

Mr Djindjic and Mr Djukanovic both say they see e new chapter in Balkan politics. "Our political system is in the last phase of destroying itself," said Mr Djindjic, e former co-leader of the opposition coalition Zajedno, which was torn apart by personal rivalries after three montbs of anti-Milosevic street protests last winter.

Mr Djindjic said he was in contact with Mrs Plavsic and Mr Djukanovic almost daily.

Thanks to Zajedno's collapse, the Socialists' domination of state media and a new electoral law, Mr Milosevic's leftwing coalition is expected to retain the Serbian presidency and a small majority in Serbia's parliament.

Howaver, despite these victories, Mr Milosevic will see his authority weakened by Mrs Plavsic's bid to remove hardliners in the Bosnian Serb statelet, and by Mr Djukanovic's expected victory in Montenegro's presidential election on October 5.

Barred constitutionally from seeking a third term as president of Serbia, Mr Milosevic engineered bis appointment in July as president of Yugoslevia. But without Montenegro's full co-operation, Mr Milosevic faces a bumpy ride in his new office.

Relations with Mr Djukanovic's government have deteriorated further. Belgrade accuses him of plotting secession. The 35-year-old reformist says be is fighting for equal rights for his tiny republic of 650,000 people and sees full independence only as e last resort.

Serbia has imposed border controls on Montenegro, and Belgrade commentators say it is possible Mr Milosevic will attempt to declare a state of emergeucy there. He may also undermine Mrs Plevsic in Bosnia througb the continued use of his special undercover police forces.

Carl Bildt, Page 14

Guy Dinmore

Tariff test for central Europe

By Jack Grimston in Ljubljana

The five-year-old Central European Free Trade Agreement is facing growing questions about its future as leaders gather today for a two-day summit in the Slovenian resort of Portoroz.

High on tbe agenda for the prime ministers of the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia are a number of trade disputes which will test the organisation's maturity as a forum for solving regional problems.

The European Commission has recommended that the European Unlon start full membership talks next year with the Czecb Republic, Hungary, Poland and Slovenia. Other Cefta members will probably hava to wait longer.

In June Poland raised duties on steel imports to 9 per cent, causing resentment among other Cefta members. Slovenia is also under fire for bolding np talks on liberalising agricultural trade.

"Solving these questions will belp prepare Cefta countries for tbe EU by showing tbey can compromise over delicate questions and put aside emotional considerations," said Sandor Richter of the Vienna Institute for Comparative Economy Studies.

The lowering of trade barriers has contribnted to a surge in regional trade. The Vienna institute estimates that total exports within Cefta (excluding Romania) reacbed $11.5bn in 1996. Between some countries, bilateral trade has risen by more than 50 per cent since 1994.

Cefta's aim is to establish free trade by 2001. So far, liberalisation in industrial goods is almost completed. But talks on lowering barriers to farm goods are mnch slower, with comtries keen to protect their fragile agricultural sectors.

Swiss property rules relaxed for foreigners

By William Hall in Zurich

Switzerland has relaxed its strict rules on foreign ownership of property for the first time in more than 30 years in a bid to boost foreign investment and help end the long recession in the property market.

The government has amended its so-called Lex Friedricb so that foreign investors can invest freely in commercial property and buy Swiss companies which have substantial real estate boldings.

They can also invest in business-related real estate whicb can be reuted to a third party. In the past, foreign investors have been effectively forbidden to buy commercial property in Switzerland unless it was directly related to the performance of their own business.

Under the new rules, which take effect on October 1, it will also be easier for foreigners working in Switzerland to boy tbeir own homes. However, the relaxation of the rules does not extend to foreign purchases of Swiss boliday homes.

The government tried to relax the foreign property ownership laws in 1995, but it was defeated in a popular referendum because of fears that foreigners would buy up large parts of the Swiss Alps.

Since then, prices of Swiss commercial real estate have fallen sharply and the recession in the related construction industry has prolonged Switzerland's longest post-war recession. The partial relaxation of the restrictions oo foreign property ownership, combined witb the recent weakness of the Swiss franc, should belp end Switzerland's property recession by fuelling foreign investment demand for surplus commercial property.

The justice ministry said that the partial relaxation of the Lex Friedrich – named after Rudolf Friedricb, the Swiss justice minister who oversaw introduction of tougher rules on foreign investment in 1985 – would make Switzerland more attractive as a business location.

However, Simon Marshall-Lockyer of NatWest Securities in Zuricb said the changes also "paved the way for a strong increase in hostile takeovers by foreign companies". In the past, tbe existence of the Lex Friedrich was a powerful defensive weapon for any Swiss company which did not want to accept a hostile bid, since it curbed foreign acquisitions of companies, such as Sulzer and Oerlikon-Bührle, with substantial real estate holdings.

Although there have been foreign takeovers in Switzerland, ranging from Phillip Morris's acquisition of Jacobs Sucbard in 1990 to BBA's purcbase of Holvis in 1995, most have been friendly acquisitions.

NEWS: WORLD TRADE

Eizenstat urges EU to clear BA-AA alliance

By Emma Tucker in Brussels

Stuart Eizenstat, the US under-secretary of state, said yesterday he hoped the proposed alliance between British Airways and American Airlines would be approved by the European Union's competition authorities.

At e meeting in Brussels Mr Eizenstat told Karel Van Miert, the EU competition commissioner, that it would be wrong to impose such heavy conditions on the alliance that it ceased to be worthwhile.

He was also concerned that heavyhandedness by the EU could scupper US cbances of securing an "open skies" agreement with the UK.

"We expressed hope that the merger would be approved and thet conditions would not be imposed that made the merger impossible, or that acted in ways that made it more difficult, if not impossible, to achieve an open skies agreement with Britain," said Mr Eizenstat.

His comments will increase pressure on Mr Van Miert to take e more flexible attitude towards the alliance – which be argues would beve an overwhelmingly dominant position on UK-US routes.

His officials issued a draft opinion over the summer demanding that BA and AA give up 353 weekly take-off and landing slots at London's Heathrow airport as one of several conditions for clearance. BA currently has 350 weekly flights from Heathrow to the US and American 182.

BA argues that giving up so many slots would leave the alliance with less power than either partner had previously.

It also accused the Commission of basing its demands on sloppy research and a discriminatory attitude towards the UK carrier.

Mr Eizenstat said be had raised US "policy coocerns" about some of the initial conditions set down by the EU which could be anti-competitive.

"It is important to have a better understanding of each other's views," be told the EU Committee of the American Chamber of Commerce.

Mr Eizenstat's comments indicate that the US administration is in favour of the BA-AA alliance. However, the US Department of Transportation has not yet completed its inquiry into the deal, and is under pressure from other US airlines to ensure BA and American surrender hundreds of Heathrow slots. Tbe deal also bas to be approved by the UK government.

The planned elliance, announced in June last year, provides for extensive co-operation on flight schedules and the setting of fares. It has been strongly criticised by all the other large US airlines and by several European carriers on the grounds tbat BA and American would control over 60 per cent of UK-US flights.

Eizenstat: fears for open skies deal with UK

Firm US line on banana trade

By Emma Tucker in Brussels

The US will insist that tha European Union comply with demands from the World Trade Organisation that it dismantle part of its banana import regime, rather than accepting compensation, Stuart Eizenstat, the US under-secretary of state, said yesterday.

"We cannot eccept compensation. Wa have to hava a change in the regime," be said in Brussels, after meeting Sir Leon Brittan, the EU's trade commissioner.

The Commission has only just started to discuss its response to a ruling by the WTO appeals body, which backed US-led complaints that the EU's $2bn-a-year banana import regime broke world trade rules.

The Genava-based body said parts of the regime, by which former colonies and nations with historical links to the 15-member states of the EU are given preferential treatment on their exports, were unlawful.

Sir Leon gave no indication yesterday of what the EU intended to do. However, if the EU decided to offer compensation rather than a change to the regime, it would heve to have the agreement of the US.

Mr Eizenstat said ha was confident tha US and EU could negotiate an agreement consistent with world trade rules, which also recognised the need of Caribbean countries to bave access to the EU market.

However, ha stressed the need for the EU to respect the WTO's dispute resolntion procedure.

The EU has until October 25 to formulate its response to the WTO ruling, e process likely to create strains between the member states, which have to agree on any action to dismantla the banana regime. Six member states – including the UK, France and Spain – are against changing the rules, enough to form a blocking minority.

Mr Eizenstat also expressed worries about new EU meat-safety rules, designed to halt the spread of "mad cow" disease, which could block billions of dollars of US imports to Europe.

He said the ban had no sciantific foundation and there was a danger that the action would open the door to all sorts of trade protection measures on both sides of the Atlantic.

During his speech to the American Chamber of Commerce in Brussels, Mr Eizenstat stressed the need for the EU and the US to co-operate more closely on trade matters to avoid the sort of spats which have recently soured transatlantic relations.

Bangladesh warns on textile jobs

By Richard Wolffe in Birmingham

The Bangladesh government yesterday claimed that up to 1m textile jobs were at risk following this week's withdrawal of almost 7,000 fraudulent export licences to the European Union.

The Bangladesb High Commission in London warned the loss of the licances would lead to a "drastic" reduction in the country's export earnings. It said the job losses were likely to fall largely among poorly paid women working in factories which would close.

Under pressure from the European Commission, Bangladesh withdrew the export licences earlier this week, after it was discovered many exported garments were made with non-Bangladeshi yarn.

The licences, issued under the Generalised System of Preferences (GSP), allow customs exemptions for T-shirts and sweaters made with local raw materials in less developed countries.

It is estimated that 60 per cent of Bangladesb's exports of garments end in Europe, with the UK as the single largest destination.

Clothing exports from Bangladesh to the UK were valued et $340m last year.

The Bangladeshi government is now bracing itself for e wave of litigation from European importers, wbo are technically liable for a backlog of unpaid import duties worth up to $29m.

However, Asian business leaders in the UK say many importers either knew of, or chose to ignore, the fraudulent nature of the licences.

Peter Patel, a consultant to south Asian importers in Britain, said: "This has been going on for four or five years now, particularly in cotton T-shirts. It was only a matter of time before the EU caught up with them.

"Many importers here used the system to get cbeeper goods, and are equally guilty of trying to manipulate the system. I bave bad requests from people trying to get goods from India to Bangladesh, to evoid taxes and quotas by producing false documents."

Many UK importing companies are expected to close because they are unable to pay the back duties.

Brussels wants the Bangladeshi government to examine another 8,000 licences, which could cost European importers another $65m in unpaid taxes.

Insurance body may be saved

By Stella Burch in Washington

The US Overseas Private Investment Corporation (Opic), which provides investment insurance and guarantees, bas gained ground in its battle for survival with the release of a report by the US General Accounting Office (GAO) which stressed the agency's importance in promoting US foreign policy objectives.

Opic's future is in the balance in the run-up to the expiry of its charter on September 30. Earlier this year a coalition of liberal Democrats and Republican conservatives, pledged to reducing government involvement in business, launched an attack on Opic, seeking to prevent the agency's reauthorisation.

Critics of Opic argue that the corporation's main function has become superfluous since the private sector is increasingly willing to assume its role in the private foreign direct investment assurance market.

The GAO report did confirm that improvements in economic and political conditions in many developing countries has led to a reduction in investors' perception of risk and a dramatic increase in private investment in these markets since the late 1980s. However, the report stressed risky markets still existed wbere the private sector (investors, bankers and insurers) was reluctant to invest or operate without government or multilateral guarantees or insurance.

It is in precisely such areas – for example, Russia or the Ukraine – that Opic's role is considered valuable. US foreign policy is committed to assisting states of the former Soviet Union in their transition to free market economies. However, the GAO report says investment in potentially unstable economies will always be considered more risky than portfolios of private sector insurers will tolerate.

The report also higblighted the problems associated with the phasing out of Opic. It showed that other agencies would have problems managing the existing portfolio, and transferring Opic's $5.3bn in insurance contracts which had 19-20 years remaining from September 30, 1996. Additionally, the study showed that an immediate disposal of Opic's assets could be accomplished only at a higher discounted price.

A further concern of the GAO was that the elimination of Opic could lead to a loss in business for US exporters.

NEWS DIGEST

China ponders high-tech lure

China yesterday said it might grant preferential import policies to high-technology businesses, partially reversing an unpopular tariff on imports of capital goods. Current tariffs and value-added taxes on imports of capital goods can account for up to 40 per cent of the value of sucb equipment, thus discouraging investment in China's high-tech sector. China scrapped duty-free treatment for imports of capital equipment by foreign-funded ventures from April 1996 but granted extensions to projects launcbed before that date after an outcry from overseas investors. The grace period for foreign-funded projects valned at less than $30m lapses at the end of this year and projects worth more than $30m will receive the special treatment until the end of 1998. *Reuters, Beijing*

■ US TRADE POLICY

Fast-track attack on Clinton

US President Bill Clinton's trade policies yesterday came under fire from both Republicans and Democrats, e day after he formally requested new "fast-track" trade negotieting anthority.

At a subcommittee bearing on the impact of the North American Free Trade Agreement, Congressman David Dreier, e California Republican, complained that the president had failed to spread the message of free trade.

Congressmen Sander Levin, a Michigan Democrat, said the administration had also failed to address the issue of wage stagnation in its request for new authority. New trade deals should "establisb certain minimum conditions for free labour markets to ensure that increased productivity is reflected in growing wages and an expanding middle class that purchases our goods and strengthens democracy and global peace," he said.

The White House is searching for e compromise whicb would allow labour and environmental issues to be included in trade talks. However, Mr Levin warned: "There is no language that can finesse the issue."

Jeffrey Schott of the Institute for International Economics said US attempts to bring labour and environmental issues into trade talks had little support internationally.

Nancy Dunne, Washington

What happened to fast-track, Page 14

■ BANGLADESH GAS

Unocal to develop new field

The government of Bangladesh yesterday signed a preliminary agreement with Unocal of the US to develop the Shahbazpour gas field in the south of the country. It is the first in a series of agreements expected to be signed with international oil and gas companies over coming months. A government statement said the agreement was the first step towards the establishment of an integrated system of pipelines and power plants under which Unocal would invest nearly $700m over the next two years.

Two further agreements with Unocal are expected shortly, covering the laying of pipelines and the construction of three gas-fired power plants in the southern cities of Bhola, Barisal, and Khulna with the total capacity of nearly 400MW. Twenty-one oil and gas companies have submitted proposals for developing gas fields in the western and central parts of tha country. Bangladesh's demand for gas will is expected to double over the next 10 years and neighbouring India provides for a lucrative export market. *Kasra Naji, Dhaka*

Albright asks Israel to halt settlements

By Judy Dempsey in Ramallah

Madeleine Albright, US secretary of state, yesterday called on Israel to defer expanding or building new settlements, ber first public demand to the Israeli government in her bid to salvage tbe peace process.

Speaking to Israeli high school students last night in Jerusalem, Mrs Alhright said: "We believe that a time-out from these kind of unilateral actions will create a climate in which an accelerated approach can succeed in achieving a final Israeli-Palestinian peace agreement."

Her remarks are certain to provoke anger among right-wing and nationalist groups in Israel as much as reassure Palestinians that the US is trying to be even-handed in its aim to revive the peace process.

But after meeting Yassir Arafat, president of the Palestinian Authority, Mrs Albright admitted there was "a long way to go" before the peace process could be put back on track.

"So far, we have managed to get agreement on the fact that terrorists are terrible," she said in a sombre voice during a news conference with Mr Arafat in the West Bank town of Ramallah.

"But we have not, I think, been able to see what the best methods are on bow to get the peace process back on track. I think I have a great deal more work to do."

Her remarks, cautious and often hesitant, revealed the extent of Washington's concern over its ability to hring Israel and tbe Palestinians back to the negotiating table.

Negotiations were suspended last March wben Israel started work on a new Jewish settlement at Har Homa in Arab east Jerusalem. The gulf between the two sides widened following two recent suicide hombings which left 25 people dead.

Mrs Albright again criticised Israel's unilateral actions, saying they did little to create the right environment for resuming political negotiations. These actions, claim the Palestinians, have destroyed the confidence and trust the Oslo peace accords were designed to nurture.

"Israel sbould refrain from unilateral acts including wbat Palestinians perceive as the provocative expansion of settlements, land confiscation, home demolitions, and confiscation of IDs, sbe said."

She also sharply criticised Israel for withholding monthly financial transfers of $40m owed to the PA in retaliation for the auiclds bombings, as well as for security reasons. "It is beyond my understanding where withholding money is a security issue. On the contrary, I think it makes it more difficult to have the kind of political environment that is necessary for this partnership to go forward," she said.

But ths thrust of ber remarks was on the Palestinian Anthority's need to crack down on terrorism. "It must ha comprehensive, relentless and sustained. It cannot be pursued only when it is convenient to do so."

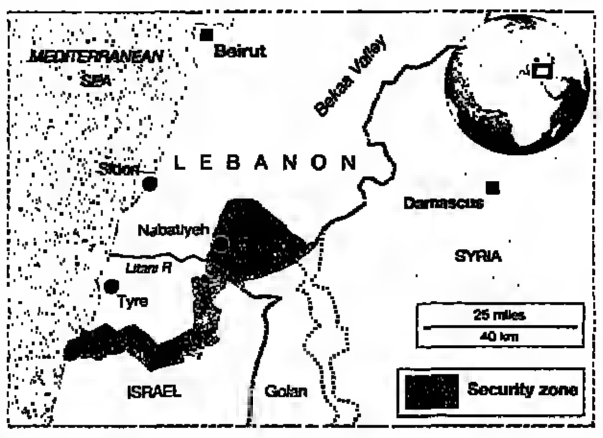
Mr Arafat said it was time for peace and an end to violence. During his talks with Mrs Albright, he gave her a breakdown on ections the Palestinians had taken against alleged terrorists.

But the secretary of state's almost total concentration on terrorism disappointed Palestinian leaders, who said Israel's unilateral policies were fuelling terrorism, which they claim came from ontside Palestinian-ruled areas.

Madeleine Albright with Yassir Arafat yesterday: she urged Israel to take a 'time-out' on settlement-building Reuters

US steps in to halt further Lebanon fighting

By David Gardner in Beirut



The US has intervened to stop further escalation in the fighting in soutbern Lebsnon between Israeli occupation forces and Lebanese Islamist guerrillas, according to Lebanese officials.

The mediation effort is a response to fears that Israel would retaliate heavily against Lebanon and its Syrian overlord after losing 12 elite commandos in a bungled raid in southern Lebanon last Friday.

It is understood that Lebanon, Israel and Syria have been in touch through the US to calm down the last active Arab-Israeli war front. The intervention comes after Israel suffered six weeks of mounting losses in its attempts to defend the "security zone" it occupies in south Lebanon against the Syrian-licensed Hizbollah, the Shi'a Moslem fundamentalist militia recognised in Lebanon as a oational resistance movement.

So far this year, 32 Israeli soldiers have died in Lebanon, while a further 73 were killed in February when their helicopters collided en route to an operation similar to last week's botched attack. Higher Israeli casualties follow the near collapse of the mercenary South Lebanon Army that Israel uses to defend the security zone. This has compromised its intelligence and pushed Israeli troops to the front-line and deeper into Lebanon to stop Hizbollah infiltration, hringing Israel into conflict with other Shi'a forces and the Lebanese army.

In April last year, Israel hombarded south Lebanon and south Beirut for 17 days in a fruitless attempt to force Lebanon and Syria to rein in Hizbollah, killing more than 200 civilians and damaging infrastructure recently replaced after Lebanon's 1975-90 civil war. Fears of a new large-scale incursion had risen after last Friday's disastrous Israeli raid.

So far, bowever, south Lebanon has gone quiet, and Benjamin Netsnyabu, Israel's hardline prime minister, is under pressure from across the political spectrum to pull out of Lebanon.

Rafiq al-Hariri, Lebanon's prime minister, dismissed Israeli agonising over withdrawal as "an internal political game". He said: "I don't think they are serious. Every time they bave a disaster they talk about withdrawal."

He warned that peace and security were indivisible and that Israel would not obtain security for its people without returning all occupied Arab land. "They are trying to divide the undivideable," Mr Hariri said, in a way "which will not guarantee the security of anyone".

Although he would not confirm hehind-the-scenes mediation by Mrs Albright, when asked whether he now expected heavy Israeli reprisals, Mr Hariri said: "I have reason to believe No."

The prime minister, who with Syrian backing has for the past five years been the force behind Lebanon's attempts to rebuild itself into the thriving financial and services entrepôt it was before the civil war, said he believed the recent fighting was an opportunity for "everyone to come back to the table" and "continue the negotiations".

He reiterated the word "continne" to reflect Syria's demands that its negotiations with Israel on ths return of the Golan Heights – captured by Israel in the 1967 six day war – should resume where they broke off sbortly before Mr Netanyahu's election victory. Those talks had reached the point where Yitzhak Rabin, the former Israeli premier, had agreed to return the Golan in exchange for full peace.

Amid persistent reports of renewed Israeli-Syrian talks at a secret location in Europe – believed to be Geneva – Mr Hariri said a peace deal involving Syria, Lebanon and Israel "can be agreed in three months, but only if Israel wants it".

US resists land mines compromise

By Tim Burt in Oslo

The diplomat stretched his hands across the desk and said quietly: "The mines our governmsnt wants to keep are about this big; unlike old weapons, these self destruct after a few hours – we will not compromise on their use."

As be spoke, a young man coexed his wheelchalr towards a nearby table and asked a colleague to lift him on to the sofa. His left leg was missing below the knee.

There are large numbers of disfigured men and women attending the conference in Oslo, where delegates from more than 100 countries are seeking a global ban on anti-personnel land mines. In addition to the amputees, there are the blind and those horrihly scarred by mines left in fields or near their villages.

Most of these victims, almost exclusively from developing countries, have been hrought to Oslo by non-governmental organisations to remind diplomats of the need to outlaw weapons which kill or maim 25,000 people a year.

However, hopes that delegates could agree a comprehensive ban by the end of next week have been dealt a blow by demands from a numher of countries, most notably the US, for exemptions covering certain parts of the world and specific anti-tank weapons.

The international Committee of the Red Cross – which won support from Diana, Princess of Wales, for its anti-mine crusade – believes that the 40 proposed amendments to the draft treaty could render it impotent and encourage some countries to deploy yet more land mines.

"We have gone to great lengths in the last few years to bring African and Latin American countries on board," said Peter Herby, legal adviser to the Red Cross. "They will be greatly discouraged if tbere are exemptions to this treaty."

The Canadian government, which has sponsored the so-called Ottawa Process, is even more forthright. "We want a completely unambiguous treaty, there can be no exemptions for any country," according to Lloyd Axworthy, the Canadian foreign minister.

Such statements bave dismayed the US government, which has proposed some of the most contentious amendments after joining the long-running Ottawa process last month.

US diplomats warned this week that Washington would not be ahle to sign the treaty unless its amendments were accepted, adding that failure in Oslo would make it much harder to persuade other large military powers – such as Russia and China – to join the process.

At issue is whether the US can continne to deploy anti-personnel land mines on the demarcation line between North and South Korea. Tbe US argues thst its 37,000 troops would be vulnerable without them, at least until alternative defensive weapons could be developed.

"We have no doubt that without the use of land mines we would incur many more casualties and it would be difficult to prevent Seoul becoming a battlefield," said one senior US diplomat.

The country has also argued that its latest range of anti-tank weapons, which include anti-personnel devices, should be exempted. It has told the conference that these weapons are designed solely for combat use – not to make large areas of land uninhabitable for years to come.

In a hid to win support for its position, the US has reiterated that it still remains committed to a global ban – on the right terms – and will destroy its 8m-9m "Adam" anti-personnel mines if it signs the treaty.

Given Wsshington's uncompromising position, some delegates believe it would be better for the Americans to withdraw from tbe Ottawa process. They maintain the treaty would be effective without US support because the world's largest military power is not a country guilty of randomly laying land mines in civilian areas.

But US delegates regard that as short-sighted nonsense, adding that without the US on board – albeit with exemptions – the treaty would be devalued.

Kenyan opposition and ruling party agree electoral reforms

By Michela Wrong in Nairobi

The growing prospect of elections marred by e violent boycott campaign yesterday prompted legislators from Kenya's ruling Kanu party and the opposition to agree on the repeal or amendment of laws giving President Daniel arap Moi the upper hand in the polls.

The recommendations by the inter-Parties Parliamentary Group, read out to diplomats, members of the International Monetary Fund, World Bank and religious leaders, were presented as a hig political breakthrough by George Saitoti, the vice president.

"This is a reform package, e package owned by all political parties," be told reporters. "The government will take the report in full. The president agrees witb this."

Campaigners who had been threatening to make Kenya ungovernable unless their reform demands were met before the elections were last night digesting the news. But several said it still fell short of wbat was required for a fair contest and predicted a programme of mass action announced this month would go ahead.

"Despite what the donors think, balf a loaf is not necessarily better than a whole loaf," said Richard Leakey, the former wildlife director turned reform crusader.

"The whole point was to try to get reforms in place allowing free and fair elections. If those issues haven't been addressed, the public's anger will be bard to contain."

The committee recommended changes to 12 colonial-era laws that bave been the subject of hot dispute since the 1992 elections. They allow detention without trial, drastically curtail the right to free assembly, and give local chiefs sweeping powers.

It said the electoral commission, currently appointed by Mr Moi, shonld be expanded to include 10 members nominated by the opposition. Political parties which had not been registered, such as Mr Leakey's Safina party – kept waiting now for two years – sbould he given official approval within 14 days.

The committee also stipulated that opposition parties, largely ignored hy state-owned radio and television, should have equal access to the media and scores of pending applications for private television and radio stations be processed within 30 days.

NEWS DIGEST

Egypt to free central bank

Egypt's central bank is to be allowed a more autonomous role in carrying out monetary policy as it moves towards its eventual independence.

Yousef Boutros Ghali, economy minister, told an investor conference in Cairo: "We need an independent central bank, and this will be instigated in the coming years." It is the first time the government has made e clear commitment to freeing Egypt's regulatory institutions, and coincides with the announcement of extensive restructuring of the stock exchange.

The central bank directors are appointed by the government and are answerable to parliament as well as the economy ministry. They currently inflnence the setting of the bank discount rate and control the activities of public sector banks and private and public sector companies in which the bank is a major shareholder.

The economy minister is responsible for the bank's political role. This responsibility will be transferred to the bank as it moves towards full independence over 10 to 15 years.

Mark Huband, Cairo

■ INTERNATIONAL LABOUR ORGANISATION

Chilean tipped for top job

Juan Somavia, Chile's permanent representative at the United Nations, is expected to become next director-general of the Internstional Labour Organisation.

The 56-year-old diplomat has support from trade unions across the world, many African countries, most of Latin America, Russia and all-importantly the US administration.

His name is expected to go forward to the November meeting of the ILO governing body. If Mr Somavia secures the position be would replace Michael Hansenne in 1999.

Mr Somavia has had s distinguished international career. President of the UN Security Council in April 1996, he was an effective chairman of the main committee for the social development world summit held in Copenhagen two years ago. Along with his UN work in New York over many years, he has also been a consultant to the General Agreement on Tariffs and trade and the UN development programme.

He is a strong supporter of workers' rights. But Mr Somavia has powerful backing from the US. His allies believe be will give the ILO a higher profile and help to extend its influence into bodies such as the World Bank and the International Monetary Fund.

Robert Taylor, Employment Editor

■ TAJIKISTAN POLITICS

Exiled opposition chief returns

Said Abdullo Nuri, the leader of Tajikistan's united islamist opposition, ended nearly five years in exile yesterday and returned to the ex-Soviet republic.

Mr Nuri's return is part of e peace agreement signed in June which formally ended a civil war in which tens of thousands died and many more became refugees.

He is scheduled to head a joint 26-member government-opposition commission on national reconciliation which will monitor the agreement and prepare a new parliamentary election.

Reuters, Dushanbe

Cash warning for emerging markets

By Robert Chote, Economics Editor

Emerging market countries should not open themselves fully to capital flows until their economies are in good sbape and their financial systems stronger, according to an international report prepared for next week's meeting of Commonwealth finance ministers in Mauritius.

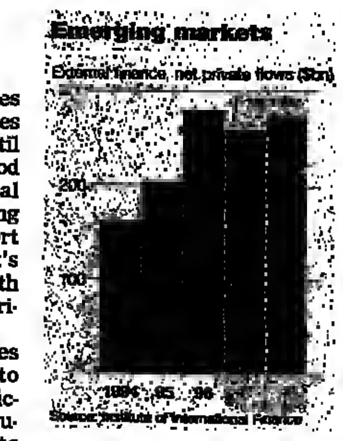
The report also urges indnstrial countries to remove unnecessary restrictions on the share of institutional inveators' assets which they are permitted to hold in foreign markets. Emerging market governments should in turn he wary of imposing restrictions of foreign ownership of companies and financial institutions.

Senior officials from 15 countries contributed to the report, whicb also recommends a Commonwealth "code of good practice" for national policies that attract and sustain capital flows.

Tbe Washington-basad Institute for International Finance yesterday predicted that net private capital flows to major emerging market economies would drop to $261bn this year from last year's $281bn record. Part of this decline should then be reversed in 1998.

Net private flows to Asia are expected to fall from $141.8bn in 1996 to $107.1bn this year, with only a small rebound in 1998. Flows to Latin America should drop by less than 10 per cent, while flows to Europe, Africa and the Middls East should continue to rise.

"Although south-east Asian developments have introduced a sobering note into emerging markets finance, their lasting impact on the volume of private capital flows to these markets globally seems likely to be moderate," the institute said.



Charles Dallara, managing director of the umhrella organisation for financial institutions, welcomed the goal of eliminating capital controls. But be cautioned against reflecting this in a premature amendment to the International Monetary Fund's articles of agreement, without public debate.

Mr Dallara also urged the IMF to call attention "publicly and evenhandedly" to the need for action in countries drifting towards a financial crisis. The IMF is wary of this, fearing that it could end up triggering the crises it wants to prevent.

The Commonwealth capital flows report notes the prohlems which countries face when responding to surges in capital inflows.

It cautions against holding the exchange rate down by cutting interest rates, arguing that this leads in the end to higher inflation and lower competitiveness. The scope for cutting government borrowing in the short term is also limited, while "sterilisation and controls on capital flows can provide short-term breathing space, but may not be effective in the event of large and persistent capital surges".

Music sales offered straight to PCs

By Nicholas Denton in San Francisco and Alice Rawsthorn in London

Electronic delivery of music will reach the mass market next week whan America Online (AOL) enables its 9m users to purchase singles delivered directly to their personal computers.

Customers can already buy CDs from online record stores by ordering them electronically, and having them delivered by post.

AOL will distribute CD-quality aodio computer files directly to consumers' computers. Several small, independent operators already offer snch a service, but AOL will do so on a far larger scale.

The AOL music sita, which is called The Hub, will initially sell titles from independent record labels, but the group is also in discussions with larger music groups whicb have so far been more cautioue abont internet distribution.

The move by AOL heightens the controversy about internet music piracy ahead of hearings on the subject before the US Congress later this month.

AOL, applying software from a Silicon Valley start-up called Liquid Audio, will guard against piracy by encrypting tha audio files and enabling them to be unscrambled only with the use of a customer's unique "music passport".

Digital piracy, by which an infinite number of copies can be made without any deterioration in quality, will also be deterred by a digital "watermark" threaded through the music which will betray, even in copies of a single, tbe original purchaser.

Web sites such as CDNow, while delivering purchases by mail, have for the last year taken orders and credit card payments online, and offered radio quality samples using streaming technology from Progressive Networks and other companies.

Online retailer N2K Music, which recently filed a registration statement for its initial public offering, has been using Liquid Audio technology to download singles from independent labels since July.

Capitol Records, a subsidiary of EMI Group of the UK, will later this month become the first leading record company to release a single for digital downloading at the same time as it hits traditional music stores.

The single, *Electric Barbarella* by Duran Duran, a three-minute song which takes about 12 minutes to download using a standard computer modem and telephone line, will be available online on September 23.

Nevertheless, AOL, which confirmed its dominance of the online access market by agreeing on Monday to take over the 2.4m retail customers of its main rival CompuServe, is the largest online company to offer singles for download.

"AOL's move is a signal that the new era of distribution is upon us," said Scott Burnett, vice-president of marketing for Liquid Audio. "It is not going to happen overnight. But, ultimately, music and entertainmant will become available directly to the consumer in the home."

Oigital downloading of music is also gathering pace in Europe, where Deutsche Telekom is establishing a pilot project in Germany and Lyonnaise des Eaux is running one on a bigh-speed cable network in France.

New York warned of computer upheaval

By Alan Cane in London

New York City faces significant disruption at the turn of the century as a consequence of the computer "millennium bomb" in spite of being among the best prepared of the world's leading conurbations to tackle the hazard.

This is the principal conclusion of research carried ont by the consultancy Corporation 2000, which is investigating the likely social and cultural consequences of the bomb across the globe.

The implication is tbat other large cities will be affected more seriously by the bomb, the result of a short cut commonly used by software specialists in the 1970s and 1980s. The techniqne saves expensive computer memory but renders most compnter systems nnable to distinguisb between one century and another.

The governor of New York state, George Pataki, has declared a moratorium on all new technology initiatives which would deflect any of the state's agencies – including health, police and social services – from concentrating on eliminating the millennium bomb.

The consultancy, with offices in New York and Sonthampton in southern England, argues without corrective action, New York's electricity supply will be cut by 50 per cent between January 1 and January 10, 2000.

"The conseqnences for New York, which is above the frost line are going to be mnch greater than for, say, Adelaide," said Martyn Emery, co-director of Corporation 2000. He said hospitals would be forced to limit admissions to emergencies for a month, while the New York stock exchange and the city's banks would be closed for eight days. Transport would be disrupted for a month.

The effects of the bomb are hard to predict but among likely consequences are incorrectly calculated wages, pensions and social benefits, the failure of commercial and private motor vebicles wbose engines are controlled by small computers and the collapse of telecommunications systems.

The details of the stndy were pnblished in the UK magazine Compnter Weekly. Mr Emery said most current research on the bomb looked only at the technological issnes of finding faulty computer systems and correcting them. Corporation 2000 was employing historians and experimental psychologists to predict and analyse how people would behave wben social systems failed.

The problem is universal, but compnter specialists have found it difficult to persnade politicians and industry leaders to take it seriously. The worldwide cost of eliminating the bomb has been pnt at $1,500bn.

Argentina and Brazil face fresh dispute

By Geoff Dyer in São Paulo and Ken Warn in Buenos Aires

Brazil is likely to withdraw an exemption it gave to its Mercosur trading partners over restrictions on import financing, in the latest of a series of disputes batween Brazil and Argentina.

The move came as the Brazilian and Argentinian governments tried to play down a separate row over sugar imports and emphasised the importance of Mercosur, the South American trade grouping, for political and economic stability in the region.

Brazil introducad tough restrictions on tbe short-term financing of imports in April. After fierce opposition however, it awarded a temporary exemption from the restrictions to its Mercosur partners.

Argantine diplomats said they had not been informed of any new decision by Brazil and said they boped to reach an agreement over the import financing rules by the time the exemption expires on October 31.

The two countries were also at loggerheads recently after President Carloe Menem of Argentina said he would veto the award of a permanent eeat on the Unitad Nations Security Council to Brazil.

Brazilian officials said no final decision had been made but it was probable that the exemption would not be extended. They also stressed that this was not an act of retaliation over the sugar dispute.

The Brazilian government was angered after Argentina's Senate last week overrode Mr Menem's veto of a law imposing tariffs of 20 per cent on imports of Brazilian sugar.

In an attempt to defuse the sugar row, Guido Di Tella, Argentina's foreign minister, said the new law would not have any effect. Speaking in Brazil, he said: "The Mercosur treaty has precedence over any other legislation."

NEWS DIGEST

SE Asia to win high inflows

Low interest rates in the US – and in other leading developed nations – will assure a high level of capital flows for emerging-market countries this year, according to a report issued yesterday.

The forecast, from the Institute of international Finance, a Washington-based think-tank, comes despite the disruption caused in recent weeks by the series of currency devaluations in south-east Asia.

That foreign exchange turmoil will slow the tide of capital from US and other international investors to the region for a brief period, but is unlikely to bava a lasting impact, the institute said. The IIF's projections for 1997 point to a total of $261bn in foreign direct investment and portfolio investment from the developed world. That is slightly lower than the $281bn of 1996, but still overshadows the $205bn registered in 1995. Continuing high levels of liquidity in international markets, stemming from low interest rates in the developed world, point to flows of some $275bn next year, the group added.

This year's expected slight decline in capital flows is due entirely to a retrenchment in bank lending. Commercial banks, which lent $84bn in 1996, could lend only $44bn this year. *Richard Waters, New York*

Wide-ranging reforms Page 6

■ CUBA

Arrest over bomb campaign

Cuba has announced the arrest of a Salvadorean "mercenary" it says was paid to plant bombs in Cuban hotels as part of a "terrorist" campaign organised and financed by a leading Cuban exile group in Miami.

The Interior Ministry said on Wednesday night that Raul Ernesto Cruz Leon, a former Salvadorean paratrooper, had confessed to planting bombs which exploded at three Havana botels and a restaurant a week ago, killing an Italian businessman. He also allegedly confessed to bombing two Havana botels in July.

The Cuban statement alleged that the detained man was part of a clandestine operation to attack tourist targets in Cuba organised and financed by the Cuban American National Foundation (CANF), the leading anti-Castro exile group in Miami. The CANF immediately denied any involvement.

Foreign diplomats in Havana said the Cuban announcement, which follows a spate of mysterious explosions at Cuban tourist installations since April, did not offer concrete evidence to link the Salvadorean directly with the CANF. *Pascal Fletcher, Havana*

■ US RECRUITMENT

Small towns are big on talent

Relocating companies searching for graduates should look again at smaller towns, says a survey published yesterday by Moran, Stabl & Boyer, a division of Prudential Relocation. Iowa City, a city of 100,000, has the greatest concentration of people with undergraduate degrees in the US at 44 per cent. Boulder, Colorado, home to 260,000 people, tops the league for graduate degrees per capita, with postgraduates making up 16.4 per cent of the population.

These and many other towns featured in the survey, such as Champaign, Illinois, and Gainesvilla, Florida, are the homes of big state universities. Stamford and Danbury in Connecticut – in the New York commuter belt – ranked second and fifth for postgraduate degrees.

John Rhodes, president of MS&B, said that these factors should be considered along with compensation levels and the career opportunities relative to competitors in the area. He noted that the number of local graduates was particularly important in towns where it may be hard to attract workers from outside. Some companies will put their facility in a desirable area even though they don't have enough local talent to meet their needs, Mr Rhodes said. *Tracy Corrigan, New York*

■ INTERNET

Fraud triples in single year

Reports of fraud on the internet have tripled in the past year, according to a report issued yesterday by the National Consumers League in the US.

The league said the most common signs of fraud were extravagant promises of profits, guarantees of credit regardless of bad credit history, incredibly low prices, and prizes that require up-front payment.

"It's like a giant yard sale in cyberspace," the league said, "Consumers purchase a variety of items that are advertised on-line, but they don't always get what they bargained for."

Among the most frequent reported subjects of fraud were: internet and on-line services, auction sales, pyramids and multilevel marketing, business opportunities and franchises, credit card offers, book sales, and magazine subscriptions.

More than 60 per cent of Internet fraud victims pay by cheque, cash, or money orders, and 19 per cent by credit card. Others pay by telephone bills, bank account debits, and wire transfers. *Agencies, Washington*

NEWS: ASIA-PACIFIC

China's leadership to strengthen its grip at congress

By Tony Walker in Beijing

China's political elite conveoe today in a "watershed" communist party meeting which is expected to solidify support for the top leadership and clear the way for the sale of state enterprises.

People's Daily, the party newspaper, said in a front-page report oo the eve of the 15th National Party Coogress, the event would "usher in the future, and become a new milestone in our nation's path forward."

The gatbering, attended by more than 2,000 delegates, is expected to endorse the leadership of Jiang Zemin, the 70-year-old general secretary of the party, and boost China's transition to a market economy. It will be the first important policy-making meeting of the party to be beld without Deng Xiaoping's guidance since the late patriarcb launched his reform drive in 1978. Mr Deng died in February.

Mr Jiang, who will deliver a lengthy policy address today outlining plans for China into the 21st century, will be seeking strong hacking for policies aimed at reducing the burden on the state of loss-making enterprises.

China plans gradually to sell-off state enterprises, but has been constrained because of continuing dispute within the communist hierarcby about the merits of a "mixed economy". Opponents argue that a diminntion of state control will ultimately threaten communist rule.

The congress, the great set-piece event of the political calendar, is also expected to approve amendments to the party constitution to include refereoce to Deng's reformist ideas. This would place Deng in the same Marxist pantheon as Marx, Lenin and Mao Zedong himself. It was Deng who coined the phrase "socialism with Chinese characteristics" to descriha reforms which are capitalist in all but name.

The congress, beld every five years, will elect a new central committee, politburo and standing committee, and central military commission, among other important party institutions.

Mr Jiang will be formally re-confirmed as general secretary of the Central Committee of tha Chinese Communist party, the most powerful position in the country. But western officials says Mr Jiang will not achieve a "clean sweep" in his attempts to insert aupporters into senior positions. "Politics is not that simple," said one official. "It is a matter of consensus-building and compromise. On balance, Jiang is going to look a bit more solid than before. You're going to see a realignment, but nothing headline-grabbing."

Tha gathering is expected to pave the way for the appointment early next year of Zhu Rongji, executive vice premier as the next premier to replace Li Peng. Mr Zhu is thought likely to move up several alots in the seven-member politburo standing committee, China'a peak organisation.

The congress is also expected to bring younger officials to prominence who will be groomed to take over from Mr Jiang's generation, known as the "third generation" of Chinese leaders. The congress will last about a week.

Stir in Japan as Sato gets cabinet post

By Gwen Robinson in Tokyo

Ryutaro Hashimoto, Japan's prime minister, yesterday named a oew cabinet that provoked strong criticism for includiog a politician coovicted of taking hribes in the Lockheed pay-off scandal in tha late 1970s.

Mr Hashimoto kept just three ministers in the reshuffle after being confirmed by his ruling Liberal Democratic party as its leader.

The appointmeot of Mr Koko Sato – immediately dubbed the "cabinet coovict" for his role in the Lockheed


Sato: Lockheed affair

acandal – as bead of the influential Management and Co-ordination Agency, and of several other controversial figures to key posts in the cabinet and the LDP executive, threw doubt on Mr Hashimoto's commitment to reform. But the prime minister insisted his new cabinet would enhance his ambitious scheme of economic and administrative reform.

Mr Sato is the first politician with a conviction to gain a cabinet post in the post-war period. In May 1986, as one of 17 political and business leaders implicated in the Lockheed scandal, be was giveo a two-year suspended prison sentence for taking Y2m ($16,800) in hribes from All Nippon Airways while he was vice-transport minister.

Within hours of his appointment last night, he said he would "like to forget the past and work hard at the present duties".

In another contentious move, Mr Hashimoto retained Taku Yamasaki, Koichi Kato and Yoshiro Mori in the top three party posts and appointed Keizo Obuchi as foreign minister, replacing Yukihiko Ikeda.

Mr Ohuchi is a long-time ally of Mr Hashimoto and head of the largest faction in the LDP. He is also a diehard nationalist who has angered Japan's neighhours, notably China, for his strident defence of Japan's second world war record.

Mr Obuchi, Mr Yamasaki and Mr Mori are also at the centre of bribery allegations by an Osaka-based oil wholesaler, Junichi Izui, who is currently on trial for tax evasion, fraud and bribery.

Among other changes, Mitsui Horiuchi, a former labour minister, was made minister of international trade and industry and new ministers were named to science, transport, the environment, boma affairs and the Ecoomic Planning Agency.

However, the decision to maintain Hiroshi Mitsuzuka in the crucial post of finance minister was widely approved in a reflection of his achievements in guiding tha economy through recent turbulence in financial markets.

Mr Hashimoto said last night the new line-up shows tha priority he is placing on his reform programme. But the cbanges – notably Mr Sato's appointment – were widely seen as an indicator of tbe delicate political borse-trading and inter-party rivalry leading to his re-election as party chief.

Wide-ranging reforms urged in E Asian financial systems

World Bank points to structural flaws shown up by recent turmoil

East Asian governments from Japan to Cambodia need to move quickly to strengthen their financial systems in order to bolster growth and belp integrate their economies properly into the world economy, tbe World Bank said yesterday.

The region's banks are "more robust than the doomsayers would bave us believe". Yet recent developments including the currency crisis in sonth-east Asla and s further large bankruptcy, that of the drinks group Jinro, in South Korea this week have revealed structural flaws that must be addressed, the bank said in a report on east Asian finance.*

The report follows a study two years ago that forecast – prematurely – an explosion of activity in Asia's nascent bond markets, but it is more modest in scope than that report and has been revised several times to take account of the evolving Asian turmoil.

The final outcome, published in time for finance ministers to consider at this month's World Bank annual meeting in Hong Kong, is a slim volume with a stark message. Governments must do more to promote "prudent, safe and sound" banking hy opening their markets to more competition and imposing higher standards of prudential supervision, accounting and corporate governance, it says.

One of its themes, likely to be welcomed by the World Trade Organisation, as its December deadline for agreement on financial services liberalisation intensifies, is that governments must open their markets to foreign participation. "Free trade in financial services could generate considerable benefits, including improved sccess to foreign capital, deeper financial integration with the rest of the world, new and better domestic financial services, and stronger financial infrastructure."

Governments must also do more to broaden financial markets, particularly through introduction of debt securities which can belp finance both bousing and infrastructure. At present the Asian financial market is too heavily weighted towards eqnities. The region's markets often lack liquidity and transparency because they are dominated by trading in shares of family-controlled companies.

The tone of the hank's argumeots is in line with the views of many private sector economists who have also argued that crisis-ridden coontries such as Thailand would face fewer problems if they had been ahle to invest their ample domestic savings more efficiently, reducing need for imported capital.

Structural prohlems are region-wide, the bank says, citing estimates that non-performing loans across Asia could total as mnch as $660bn. Besides the well publicised problems of Thailand and Korea, several Indonesian private sector banks are fscing liquidity problems, whila the Philippines has had problems with industrial lending and Japan has suffered a prolonged period of financial distress.

In some countries, including Thailand, high real interest rates – partly the consequence of inefficiencies in the banking system – have encouraged good borrowers to seek chesper funds abroad, leaving domestic lenders to focus on lesser credits. That has led to segmentation of the market with "major implications for the financial system's solvency and efficiency".

Among specific policy steps, the bank says governments should improve policies for allowing inefficient banks to wind up their business. Thalland squandered the equivalent of 10 per cent of gross domestic product providing liquidity to weak finance companies. Governmeots must also modernise prudential standards: though the Philippines calculates international capital ratios for its banks, they are not required by law to maintain them.

Developing a broader range of securities markets also means developing a role for institutional investors. Reform of pension and insurance systems, coupled with actions to develop mutual funds, should expand the institutional investor base and improve the liquidity of securities markets, it says, noting Indonesia's bond market has received a push from growth of mutual funds.

Governments also need to develop a proper infrastructure for financial market development, including payment systems, securities registration and an information infrastructrure, including rating agencies and accounting standards, that will increase domestic market liquidity and belp attract foreign investment.

The report debunks the concerns of governments that deregulating financial markets will lay them open to financial crisis. Casnal obervers are quick to point out that a wave of financial crises followed reforms in the 1970s, it says, but where crises emerge after reform they often reflect weakness that existed earlier.

Countries that accelerate reform during what the bank calls good times and move more slowly during bad times can cope more easily with the cost of adjustment, it says, but Asia can no longer defer the challenge. "In a world that is increasingly integrated financially, East Asia can no longer postpone difficult choices – the penalties of maintaing a fragile, under-developed hanking system are too severe."

**Are financial sector weaknesses undermining the East Asian miracle? Stijn Claessens and Thomas Glaessner. World Bank. pp39*

Peter Montagnon

NEWS DIGEST

N Korea agrees to 4-way talks

North Korea yesterday agreed to hold a second round of preliminary talks to discuss formal peace negotiations to end the 1950-53 Korean war. There had been worries that Pyongyang might postpone the talks in anger over the recent defection to the US of its ambassador to Egypt.

The discussions, which involve North and South Korea, the US and China, are scheduled for September 18-19 in New York and will focus on the agenda for the peace negotiations. North Korea has been demanding that the withdrawal of US troops from South Korea be placed on the peace treaty agenda, hut this has been rejected by Washington and Seoul.

North Korea agreed to resume the talks after the US offered to hold separate negotiations with Pyongyang on bilsteral issues two days before the main conference. Issues include additional food aid to the famine-stricken North, the lifting of US economic sanctions and a ban on North Korean missile exports to the Middle East.

Pyongyang is also demanding the return of the ambassador who defected two weeks ago. It claims he is a criminal because he allegedly embezzled embassy funds.

● In a goodwill gesture, South Korea yesterday sent home a North Korean soldier who drifted to the South after his boat capsized last month. *John Burton, Seoul*

■ NUCLEAR EXPORTS

China to tighten N-curbs

China issued details yesterday on tightening controls of exports of nuclear equipment and materials, requiring all such overseas sales to be authorised by the State Council, or cabinet. The regulations were issued "to strengthen controls on nuclear exports and to safeguard the security of the nation and puhlic interests and to promote international co-operation in the peaceful use of nuclear energy," the Xinhua, the state news agency said.

The trade of nuclear generating equipment has emerged as one of the critical issues in US-Sino relations before President Jiang Zemin's visit to the US next month. Although President Bill Clinton is understood to be edging towards approval of nuclear exports to China, there remain strong concerns in the US Congress over unauthorised Chinese exports of nuclear technology to countries such as Pakistan and Iran. However, US officials say China has tightened controls on such sales. *Reuters, Beijing*

■ CONSTITUTIONAL CHANGE

Thais set date for key vote

A vote by Thailand's parliament on a new constitution designed to reduce the role of money in politics and create more effective and stable government has been acheduled for September 27. But before the vote, a two-day no-confidence debate against Chavalit Yongchaiyudh, the prime minister, starting September 24 will lead to a vote on a censure motion on September 26.

The scheduling of the vote on the new charter after the no-confidence debate is a victory for Mr Chavalit. Mr Chavalit can now use the threat of a bouse dissolution and a new election under the old electoral rules. Once the new charter is passed, Mr Chavalit is prohibited from dissolving parliament for 10 months while implementing legislation works its way through parliament.

Tha charter is seen by the Thai public and foreign investors as crucial for the country if it is to get a government capable of handling the country's myriad economic problems and satisfy stringent International Monetary Fund conditions of Thailand's $17.2bn ballout package. *Ted Bardacke, Bangkok*

■ BUDGET OUTCOME

Philippine surplus higher

The Philippines registered a budget surplus of 7.8bn pesos ($243m) for the first eight months of the year, an improvement of 11 per cent year-on-year, the department of finance said yesterday. Revenues reached 297.8bn pesos against 290bn pesos expenditure. Earlier this week, a department of finance official said tha government had cut its initial surplus forecast from about 14bn to 7bn pesos for the year. The delay in legislative approval of a comprehensive tax reform, which has been in Congress for almost two years, is expected to hit government revenues. *Justin Marozzi, Manila*

India has high hopes for satellite launch

Delhi wants to boost earnings from its go-it-alone space programme, writes **Mark Nicholson**

Later this mooth the most powerful rocket India has huilt will hlast off from Sriharikota, India's "Cape Canaveral" on the Andhra Pradesh coast, carrying the most sophisticated remote-sensing satellite so far completed hy the country's scieotists.

At $20m, the launch of India's IRS-1D satellite ahoard the 402-tonne Polar Satellite Launch Vehicle (PSLV) will be one-twelfth the price of China's Loog March 3B rocket launch earlier this month.

But while China pocketed $240m for launching the Philippines' first telecoms satellite, India will recover just a tiny fraction of its launch cost from commercial revenues. India thus has its own "long march" to catcb China and other space powers in turning its rocketry and satellite expertise into export earnings.

But tbe Indian Space Researcb Organisation (ISRO), the government space agency, is pinning bopes on a successful PSLV take-off to burnisb commercial prospects for India's 34-year-old space programme – pitching India into a trajectory to compete eventually with China, Russia, the US and Europe for commercial launches of high-orbit telecommunication satellites.

The launch "showcases the total self-reliance India has achieved, from developing satellite technology to putting satellites in orbit," says N. Sampath, executive director of Antrix Corporation, ISRO's commercial arm. "It will show we've got end-to-end capability."

The launch of IRS-1D, India's fifth low-orbit remote sensing satellite, will earn only modest returns – from international sales of satellite photographic data.

India's space programme earned just $4m last year – from data sales and sub-contracted manufscturing of satellite compooents. Revenues are expected to rise to $10m this year. By 2000, bowever, Mr Sampatb believes India's space programme could be returning $100m or more a year – through increased data and components sales and particularly through entry next century into the market for launching geosynchronous orhit telecom satellites.

Since 1964 India haa invested $2bn in its space programme – in the fixed costs of ground-based manufacturing, monitoring and testing facllities and in

> Unlike in China, Russia or the United States, India's space effort was never considered a primarily military undertaking

development costs for a series of launch vehicles: from a 40kg payload rocket lsunched in 1980 to the 1,000kg payload PSLV, two of which have been launched since 1994.

Unlike in China, Russia or the US, India's space effort was never considered a primarily military undertaking. It was instead conceived as a way to overcome infrastructural shortcomings arising from India'a vast land mass and poor ground communications.

Remote sensing satellites were launched to provide data on crop acreage and yields – to give notice of drought or crop failures – while contrihuting to water management, data on forestry and mineral resources. The Insat launches were deemed necessary to provide telecommunications links and, more particularly, to enable nationwide broadcasting of state TV channels.

But neitber, until lately, was space considered a commercial opportunity. Antrix was formed five years ago, amid India's more general economic liberalisation and tighter government budgets, to change this. "Having spent billions in development, it was falt time we gave something back," says Mr Sampath.

Antrix has aince been chasing three separate markets.

The first is to increase sales of satellite photographic data. ISRO recently signed a glohal marketing arrangement with EOSAT corporation of the US to sell Indian aatellite data. With at least two further remote-sensing satellite launches planned after this month's launch, and improved photographic resolntion with each new satellite, ISRO believes India can capture 30 per cent of a data market estimated to be worth $200m by early next century. This would earn ISRO $10m a year after payment of fees and royalties.

Antrix also hopes to boost component sales to US and European satellite companies. From present contracts worth $3m a year, ISRO believes current talks with groups inclnding Hughes, Lockheed Martin, Matra-Marconi and Aerospatiale could yield annual revenues of $10m-$20m a year by early next century. "There's been a lot of interest. The market has become so competitive that many companies have come lnoking for us, fur our cost advantage," says Mr Sampath.

Antrix's crowning amhition, however, is to enter the market for high-orbit, geosynchronous aatallite launches. ISRO is developing s rocket, the GSLV, designed to cast a 2,500kg payload into a 36,000km orbit (the PSLV reacbes 1,000km). A test launch is planned next year, and ISRO believes at least two more successful launches would be necessary to prove sufficient reliability for India to compete for commercial launches. "We're looking at a year 2000-plus entry into the telecom satellite market," says Mr Sampath.

Bnt before tbat, this month's PSLV launch must go off without a hitch. "There's a lot at stake. The tension in the control room will be unbearable," says Mr Sampath. "It'll be much worse than watching India play cricket."

Chancellor of exchequer faces pressure to make concession on other official products

Tax offer on Diana disc may cost $1.5m

By David Wighton and Clay Harris

The government could face a multi-million pound bill over its pledge to donate the value added tax on the sales of Elton John's tribnte to Diana, Princess of Wales, to her memorial fund.

Treasury officials yesterday admitted that Gordon Brown, the chancellor of the exchegner, may decide to make a similar gesture over other charity projects commemorating her death.

An aide described the Elton John case as a "special one-off" but he would not rule out donating VAT on other products. These could include the Christmas album being co-ordinated by Richard Branson, *chairman of* Virgin.

Mr Brown may face public pressure to make the concession on other official charity products, according to those working on memorial proposals. "It will be very difficult to get this rabbit back into the hat," one charity executive said.

The pledge to donate VAT on the Elton John recording is expected to cost more *than £1m ($1.59m). Treasury* officials said the decision on *Candle in the Wind* had to be taken immediately because it is due to go on sale tomorrow.

"Gordon Brown acted decisively so that people would know that all the proceeds would got to tha Diana fund," an official said.

In 1985, the Conservative government donated £500,000 to charity representing the VAT raised on the Live Aid recording. However, no such concession was made for a record after the massacre of children at a school in Dunblane, Scotland.

Meanwhile, Mohamed *Fayed*, whose eldest son Dodi was also killed in the Paris crash, continued to withhold final judgment on the car's driver, Henri Paul, after a third test found evidence of drugs – an anti-depressant and a drug often prescribed for alcoholics – together with alcohol at three times the French legal limit for driving. In Paris, a lawyer for Mr Fayed's Ritz Hotel, which employed Paul *for 11 years*, said he "should never have got behind the wheel".

Michael Cole, the Fayed spokesman, said the Harrods owner was "shocked and appalled" and would have sacked Paul had there been any evidence of a drinking problem.

Bnt there were still too many unanswered questions, he said.

Mr Cole said Mr Fayed had great confidence in the French judicial system hut would welcome "a definite, even if interim, statement hy the examining magistrates on what is true, what is false, what is believable and *what is not*".

In London, the Royal Parks Agency hegan to remove the first of an estimated 10,000 tonnes of flowers and other tokens left by mourners.

The removal, which is expected to take six weeks, began in the Mall outside St James's Palace, where the flowers have heen covered by dust from traffic and the thousands of people who had shuffled past to sign books of condolence.

Bouquets, teddy hears, balloons and candles were moved hy Guides and Scouts wearing latex gloves to tahles where they were sorted by members of tha Women's Royal Voluntary Service.

Written tributes are to be saved, after being dried if necessary with help from British Library archivists. Wilted flowers are being composted at Kensington Palace, while fresh ones will be sent to hospitals.

David Welch, Royal Parks Agency chief executive, said: "We see it onr duty to remove them with the same spirit and sensitivity with which they were laid."

Brendan Corr

A volunteer helps collect the thousands of flowers left outside St James's Palace in London

Opposition party to ballot on reform plans

By John Kampfner, Chief Political Correspondent

The hierarchy of the opposition Conservative party is about to ask party members to vote to endorse William Hague as their new leader and approve his sweeping plans for party reform.

Ballot papers will be sent out in the next few weeks.

A detailed manifesto for reform will be discussed at the party's autumn conference, the first gathering since the party's general election defeat on May 1.

Under the proposals, members would be given direct access to the leadership in formulating policy. An electoral college would give *members a minority share of* the vote in the election of party leader. Membership would be arranged on a national, rather than local, basis, with a compulsory membership fee. A disciplinary body of party managers would weed out MPs embroiled in "sleaze" scandals.

By linking the two issues of Mr Hague's leadarship and his reform plans, senior figures believe he will gain room for *manoeuvre* to tackle sacred cows such as control hy the parliamentary party of the election of a leader.

Activists expressed anxiety during the contest in June that their own preferences, expressed in informal ballots, had no authority.

In July Mr Hague asked Lord Parkinson, party chairman, and Archie Norman, vice-chairman and former chief executive of the Asda supermarket group, to hold a series of discussions with activists on the way forward.

The leadership is expected to recommend that senior party officials – outsida the *shadow cabinet – oversee* discipline. Criteria will be set out to determine misbehaviour, revolving more around allegations of financial than sexual indiscretions. The group would be able to summon individuals, but the process would adhere "to the principles of natural justice".

Unions in from cold but still treated coolly

The premier is unwilling to recognise their changes, says Robert Taylor

The first Trades Union Congress to be held under a Labour government for 19 years might be expected to be a cause for celebration by unions shunned during the Conservative years.

But for most of the time this week their mood has been subdued, often sour and apprehensive with a simmering undertone of irritation.

This does not mean trade unions are about to revert to the oppositionist style of the 1970s. The "new unionism" of social partnership with Europe, government and employers is more than a rhetorical device of reassurance. Union officials have shown over the past few days that they accept change, even if some do so grudgingly. They recognise they live in the real world and have to negotiate with companies on improving business performance.

For most this looks like a genuina conversion. Left-wing voices are hard to find nowadays in the TUC. Arthur Scargill, the mineworkers' union president, once the darling of the dalegates, was conspicuous by his absence this week. John Edmonds, the general secretary of the big GMB union, may have upset the Labour party hy saying he shivered a little to hear Labour enthusiasm for the flexible labour market. But this was a mild rebuka hy past congress standards. For the most part, delegates were models of restraint and respectability.

What angered many union leaders, however, was the unwillingness of Tony Blair, the prime minister, to recognise their efforts in his speech to the conference on Tuesday.

Instead, he told them to modernise. Many said he seemed oblivious to the enormous changes going on inside trade unions as they struggle to reverse their precipitous decline. Nobody outside the insignificant far left has suggested trade unions want to return to "strikes without ballots, mass and flying pickets, secondary action and all tha rest", as he put it.

There were complaints from unionists that there was not a word of appreciation or acknowledgement of the modarnisation programme carried out by John Monks, TUC general secre*tary over the past four years.* Yet many trade union leaders think Mr Monks is turning into the most effective and intelligent leader the trade union movement has had since Walter Citrine more than half a century ago.

The thoughtful address on Wednesday from Adair Turner, director-general of the Confederation of British Industry, the higgest employers' lobby, signalled a willingness to work with the TUC on the European social agenda. The Archbishop of Canterbury talked of the commonality between Christian and trade union values. Both reflected in their differing ways the widening appeal the TUC under Mr Monks has achieved.

In its rational and well-argued professionalism, the TUC is making an impact across a wide range of public policy. Neither Mr Monks nor any union leader say they want a return to the kind of power the unions enjoyed in the 1970s. But they say they do want to be heard with respect and sympathy.

Union attacks move on gas smell

By Andrew Bolger, Employment Correspondent

A proposal hy Transco, the gas pipeline *monopoly*, to make its gas less smelly was denounced yesterday as a dangerous attempt to cut the number of staff needed to deal with emergency calls from the public.

The company, a subsidiary of BG, the former British Gas, confirmed that it was investigating how to reduce the incidence of excessively smelly gas that it says causes unnecessary emergency call-outs.

It denied charges from Unison, the union representing thousands of gas workers, that it was intending to reduce odorant levels – which it puts into the otherwise odorless natural gas – to reduce costs.

Last week the company said it would cut 2,500 jobs by the end of next year as a result of tough new price controls pnt forward by Ofgas, the industry regulator.

Unison claimed the company's aim was to rednce the number of calls from the public about gas leaks, so jobs could be cut.

Rodney Bickerstaffe, general secretary of Unison, said: "Lives will be put at risk if Transco goes ahead with *this ludicrous plan*."

Transco said last night: "It's really just a badly-worded bullet point on a presentation to the unions."

The company said its researchers were studying odorant levels. It was not proposing to alter its current target level of smell, set so that a gas leak would be detected by the majority of the population.

Lex, Page 16

Government grant backs plan

British Steel to transport more by rail

By Charles Batchelor, Transport Correspondent

British Steel will transport 500,000 tonnes of steel coil a year by rail instead of road in the largest switch of heavy goods transport from road since the privatisation of British Rail.

English Welsh & Scottish Railway, which took over most of BR's freight business, will make the shipments from British Steel's Port Talbot and Llanwern strip steel mills in south Wales to two rail terminals in the West Midlands.

The contract is a boost to the government in its efforts to shift freight from road to rail. British Steel will get a grant to help finance terminal facilities.

British Steel shipped 200,000 tonnes of coil by rail in 1996, 800,000 tonnes by road. It plans to increase rail shipments to 700,000 tonnes in 1998, the equivalent of 35,000 road journeys.

It is a further success for EWS, owned by Wisconsin Central Transportation of the US, in attempts to win business from the roads. It has been trying to improve freight shipment reliability and cut journey times.

British Steel is working on plans to shift to rail 200,000 tonnes of deliveries for export made by road to Newport docks. Associated British Ports has nearly completed construction of a rail-linked steel handling terminal at the dock.

The shift to rail will allow British Steel to hold stocks at the terminals at Round Oak, near Brierley Hill, and Wolverhampton for just-in-time local deliveries.

If its experience of holding stocks at the Midlands terminals is good it may establish similar hubs in continental Europe from which to serve customers where there is no direct rail link.

Moving to rail will avoid the problem of road congestion, while purpose-built wagons to carry the coils will reduce damage during the journey, British Steel said.

"Our customers are demanding a better service," it commented. "They want more sophisticated delivery patterns."

The south Wales strip mills ship about 6m tonnes of steel annually with deliveries to final customers going by road. Shipments to other British Steel finishing plants have traditionally gone by rail.

British Steel said steel sales were to the motor industry, manufacturers of white and brown goods and for cladding for the construction industry were buoyant but the strength of the pound meant foreign competition was strong and had put pressure on prices.

PA

A piper plays outside the polling station in Gretna Green on the England/Scotland border yesterday as voting in the devolution referendum gets under way. Scots are voting on whether to establish the first parliament in the country for 300 years and whether it should have the power to vary the rate of tax. The people of Wales face a similar vote next week

'Problem' for IRA in peace talks

By John Murray Brown in Belfast

The Irish Republican Army yesterday distanced itself from the public pledge given this week by Sinn Féin, its political wing, to forswear violence. The move raised new fears among Ulster Unionists, the biggest pro-British party in Northern Ireland, about attending Monday's opening of the political talks on the region's future.

Just two days after Sinn Féin was formally admitted to the talks, the IRA said it would have "problems" with the rules drawn up by the chairman of the talks, former US senator George Mitchell, which commit parties to renounce violence and abide by the outcome of negotiations.

In an interview in An Phoblacht, the Sinn Féin newspaper, an IRA spokesman said "what Sinn Féin do is for them. As to the IRA's attitude to the Mitchell principles per se, well, the IRA would have problems with sections of the Mitchell principles. But then the IRA is not a participant in these talks."

The suggestion that Sinn Fein's public commitment was not binding on the IRA was immediately challenged by Bertie Ahern, the Irish prime minister, who told the Irish parliament he expected the Mitchell principles to be "honoured by the entire republican movement".

Mr Ahern said the IRA statement was a matter of "major concern". The hard-line Democratic Unionist party said Sinn Féin should be excluded from the talks.

But David Trimble, the UUP leader, expressed little surprise at what he called the "pathetic attempt to pretend that Sinn Féin and the IRA are not inextricably linked".

The timing of the statement, just two days before Saturday's crucial executive meeting, will make it harder for moderates to argue the UUP should enter talks with Sinn Féin.

The IRA statement coincides with a poll that suggests that opinion is evenly split among unionists as to whether to break ranks with the DUP and remain in the talks.

In a clear jibe at unionists, the IRA spokesman said "those elected representatives who would refuse to participate in all-party negotiations are wreckers trying to hold back the tide of history".

UK NEWS DIGEST

Interest rates steady at 7%

The monetary committee of the Bank of England, the UK central bank, yesterday decided to leave base interest rates unchanged at 7 per cent. The decision, taken at the end of its regular two-day policy meeting, marks the first time the committee has failed to raise rates since the Bank was granted operational independence by the government in May. Between May and August, interest rates went in four consecutive instalments from 6 per cent to the current 7 per cent.

Yesterday's decision came as no surprise to financial markets and follows an announcement by the monetary committee in August that interest rates had reached a level consistent with price stability. This is defined by the government as consumer price inflation – excluding mortgages – within a target range of between 1.5 per cent and 3.5 per cent. The announcement in August was seen a signal that interest rate increases would be on hold for the time being.

Most analysts, however, still forecast further increases in UK interest rates over the next months, amid continued concern over how £36bn in windfall profits from the demutualisation of savings and loans institutions will affect domestic consumption. Economists disagree on whether the windfalls will have a one-off or more permanent affect on consumer behaviour. *Wolfgang Münchau*

Editorial Comment, Page 15

■ SCIENCE CONFERENCE

Companies 'hostile' to innovation

Most companies and organisations remain indifferent or hostile to real innovation, the British Association conference in Leeds, the annual scientists' gathering, heard yesterday. Rhetoric from government and business schools, along the lines of "innovate or die", is generally ignored. On the basis of recent studies in 120 companies and public-sector bodies, Michael West of the Economic and Social Research Council's Centre for Organisation and Innovation at Sheffield University concluded: "Many, perhaps most, organisations are 50 years behind what organisational scientists and management gurus are discussing."

Innovation is "surprisingly infrequent", according to Professor West, because many companies – even big ones – still have no specialist personnel staff, no human resources or training strategy, no policy on job rotation and a low level of skills requirement. *Clive Cookson*

■ JOB CREATION

Leading companies join scheme

Ford and Allied Domecq have both pledged to take on large numbers of trainees under the government's welfare-to-work programme Gordon Brown, the chancellor of the exchequer, revealed yesterday. He said dozens of leading companies had proposals to contribute. These include a pledge by Tesco that it will guarantee an interview to all youngsters on the scheme who have been out of work for more than six months.

The chancellor said Allied Domecq, the drinks group, expected to offer at least 1,000 opportunities for the unemployed while Ford was planning a substantial increase in its training places for unskilled youngsters. Companies taking on young people under the scheme will receive a subsidy for the first six months. *David Wighton*

Philip Stephens, Page 14

Power generator to stop burning oil substitute

By Simon Holberton

National Power, Britain's biggest generator, yesterday pulled out of a £450m ($715.5m) investment to convert a 2,000MW power station at Pembroke in Wales to burn orimulsion, an oil substitute.

The decision means the end for orimulsion as a possible fuel source for the UK and a victory for environmental activists who have campaigned against its use.

A year ago PowerGen, another generator, said it would cease using the fuel. This week it reached an out-of-court settlement with two farmers in southern England who claimed orimulsion emissions damaged their crops.

National Power's decision was welcomed by environmentalists who have long contended that orimulsion is one of the dirtiest fuels. Gordon James, senior campaigner for Friends of the Earth, said its use should never have been contemplated near an important marine environment and Britain's only coastal national park.

He said the decision was "good news for the local environment and good news for the economy in the long term".

National Power was disappointed when in June the government acceded to local pressure and referred the Pembroke conversion plans to a public inquiry. It believed that the delay an inquiry would entail added an unacceptable commercial risk to the project.

National Power defended its plan to burn orimulsion. It said the plans it had in train to clean the emissions from Pembroke would have made the station the cleanest non-gas power station in Britain.

هكذا من الأصل

Book Review · **Tony Jackson**

Two rights don't make a wrong

How to launch an abortion drug, deal with being a token black, and other ethical dilemmas

Consider the following managerial nightmare. The company you run has developed a drug that safely induces abortion. Your biggest shareholder is a foreign company run by a devout Catholic, opposed to abortion on principle. The next biggest is your government, which supports the drug on grounds of healthcare savings and women's rights.

Profits from the drug are likely to be small, and anti-abortion groups threaten international boycott if you go ahead. You are a physician, and strongly believe the drug is beneficial. But your employees are divided, and the issue is consuming management time. What do you do?

Since this is partly an ethical question, you might refer to the corporate mission statement. Your company – in fact, the French drug maker Roussel-Uclaf – is committed to "placing our energy, our ideas, and our dedication in the service of Life". What does that mean in this context?

Or you might check with outside authorities. The free market economist Milton Friedman says a company's main responsibility is "to make as much money as possible while conforming to the basic rules of society, both those embodied in law and those embodied in ethical customs". But which strategy will make most profit here? And which basic rules and ethical customs apply?

It is in cases like these, Joseph Badaracco* argues, that managerial ethics are put to the test. Codes of conduct – and 60 per cent of US companies have them – deal with the easy bits: do not steal or bribe, do not be racist, do not sexually harass. We can all distinguish right from wrong. The hard bit is choosing between right and right.

This applies up and down the management scale. Mr Badaracco tells of an ambitious young analyst at a New York investment bank, who was asked to help make a pitch to a prospective client. Since the analyst only had a year's experience, he was surprised as well as gratified. He then found out the client's top man, like himself, was African American. The bank was using him as a token black. Torn between ambition and principle, how should he respond?

As professor of business ethics at the Harvard Business School, Mr Badaracco aims to place these issues in their intellectual context. In particular, he leans heavily on the unlikely trinity of Aristotle, Machiavelli and Nietzsche. The result sometimes reads like a beginner's guide to philosophy: but Mr Badaracco has a light touch, and sticks to his argument.

Many people, he observes, resort in such cases to the "sleep test". When your mind is confused, follow your feelings: and if you then sleep soundly, you have made the right choice.

But as Aristotle would point out, a lot depends on who is doing the sleeping. A psychopath can commit mass murder and sleep like a baby. An ethically sensitive person, having made the right choice in difficult circumstances, can still lie awake over the consequences.

This, Mr Badaracco says, does not mean you should abandon intuition. But before using it, you should think through the ethical aspects very carefully. You should also recall that your decisions help to determine the kind of person you are. In addition, they send signals to your colleagues and subordinates, and thus affect the ethical character of the company as a whole.

Perhaps the most interesting part of Mr Badaracco's argument comes from Machiavelli. Once you have decided what to do, you often need low cunning to achieve it. As a manager, you have responsibilities not only to yourself, but to fellow-workers and shareholders. Making a noble stand on principle is all very well. It is no use to them if it gets you fired.

Let us go back to the Roussel-Uclaf case. Edouard Sakiz, its chairman, wanted to save the drug. To do so, he also had to protect his own position.

His tactics bear recounting. First, he called a surprise vote at the company's managing committee on whether to drop the drug. He voted to do so, and the majority followed him. He then announced that the drug was being dropped because of pressure from anti-abortion groups, especially in the US. "We have a responsibility in managing a company," he told the press. "But if I were a lone scientist, I would have acted differently."

Three days later, the French government told him that if he did not resume distribution, it would take it away from him and give it to someone else – which, under French intellectual property law, it was entitled to do in the national interest. Mr Sakiz agreed to distribute it after all.

On Mr Badaracco's interpretation, this was very fancy footwork. Mr Sakiz achieved the result he believed to be ethically right. He also left responsibility for the decision with the French government, thus neutralising the hostile forces ranged against him and his company.

Not all ethical dilemmas are so easily resolved. Mr Badaracco also quotes Chester Barnard, a one-time president of the Bell telephone system in New Jersey, who in 1938 published the fruits of his experience in a book, *The Functions of the Executive*.

"It seems to me inevitable," Mr Barnard wrote, "that the struggle to maintain co-operation among men should as surely destroy some men morally as battle destroys them physically." It is a bleak and striking conclusion, and one which Mr Badaracco's book should help to soften.

**Defining Moments, when managers must choose between right and right, by Joseph L. Badaracco Jr. Published next week by Harvard Business School Press, $19.95. Available from FT Bookshop by ringing FreeCall 0500 500 635 (UK) or +44 181 324 5511.*

India's supermarket sweep

Mark Nicholson finds out how one company went about inventing a market

Pristine tiled floors, trolleys, piped music, checkouts with infra-red scanners, cheerful sales staff, shelves neatly stacked with everything from food to toiletries: there is nothing extraordinary about FoodWorld supermarket, except that it is in Bangalore, south India – where it represents a retailing revolution.

Supermarkets do not otherwise exist in India. Food shopping is done at roadside markets – usually collections of cramped stores or simple stalls heaped with fruit, vegetables, tins and packets.

FoodWorld in Bangalore is one of nine supermarkets run by RPG, one of India's biggest family conglomerates. The chain, just over a year old, has already outstripped RPG's revenue projections.

The Bangalore store turns over about $650 per sq ft per year, which is lower than the largest European supermarkets but extraordinary for India, where food prices and wages are much lower.

Small wonder that Dutch and British food retailers have recently been sniffing around for opportunities.

RPG, based in Calcutta, is already talking about opening 100 stores in the next five or so years. It has begun a smaller chain of chemists, and is contemplating setting up cash and carry stores outside big city centres. It is even thinking of establishing India's first music megastore.

RPG expects its supermarket chain to achieve a turnover of $500m a year in five years. The conglomerate currently turns over $1.5bn, with interests ranging from power generation and tyres to financial services and telecommunications.

The move into food retailing started with the purchase in 1989 of Madras-based Spencer's, a quality but lossmaking retailer that made its name supplying imported luxuries to the sahibs and memsahibs of the Raj. RPG bought Spencer's primarily for its properties – it had 50 branches across India – and at first considered closing it down.

However, the board was persuaded to modernise one Spencer's store in Bangalore. "In the first month turnover went up four times," says Pradipta Mohapatra, president of RPG's retail group. "That really got us thinking."

Over the next two years, RPG experimented with various store formats. Meanwhile, a review of corporate strategy by McKinsey & Company, the consultants, suggested that retailing in India, with its emergent middle class, offered a tempting sector. RPG took Dairy Farm on as technical advisers. The Hong Kong-based retail giant with interests from the UK to New Zealand has the option of taking a 50 per cent stake in the company.

New stores open with a treasure hunt, where free items are hidden across the shop

Dairy Farm advised RPG on which merchandise to select, which lines to establish as the store's central items, and which international retailing benchmarks to apply to India. But even with Dairy Farm's Asian experience, says Mr Mohapatra, almost every aspect of establishing the business had to be considered from scratch.

There was also the question of how to persuade Indian shoppers to desert their trusted family stores and take to western-style supermarket shopping. All previous attempts to set up supermarket chains in India had failed dismally.

RPG decided that while thrifty Indian shoppers might be deterred by the ritziness of a western-standard supermarket, the company would nevertheless insist on creating a "highly differentiated" store, but place effort on persuading shoppers that FoodWorld prices were as cheap as anywhere.

To get shoppers into the store, RPG cooked up a series of marketing gimmicks. New stores open with a treasure hunt, where specially marked and free items are hidden across the shop. Stores also offer two-minute "shopping frenzies", where after paying Rs300 ($8.20), customers are free to stuff anything they want into their trolleys.

Meanwhile, the store has also introduced its own brands for bulk goods like flour, sugar and spices – another innovation in India. The aim is to give RPG greater control over prices and more clout with its suppliers.

"In some areas we are beginning to build volumes, and when we do, we have a chance to crack the supply chain. Where Spencers' used to sell 2m tonnes of rice a month, for instance, FoodWorld is already selling 100m tonnes," says Mr Mohapatra.

By purchasing direct from the miller, RPG estimates it has raised its margin on rice from 10-30 per cent, half of which is passed on to the shopper.

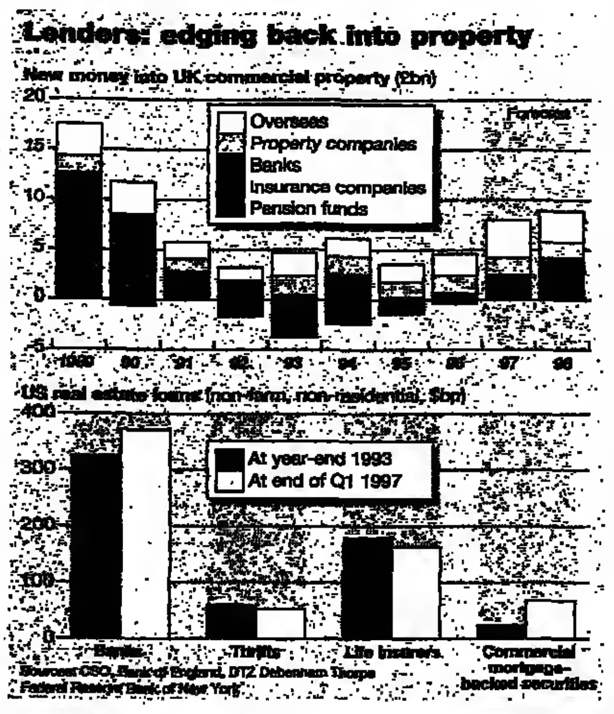
The company had to recruit and train staff – there is no pool of shopworkers in India. It created the National Institute of Retailing, with a curriculum in store maintenance, use of cash registers, presentation and customer services.

With nine stores open, and a tenth on the way within weeks (each is around 5,000 sq ft and requires an average investment of some Rs10m), FoodWorld is already turning over Rs600m a year. The group says it is hitting average margins of 18 per cent, which it had not expected to reach until the fourth year. "Overall, we're getting into a viable position only 15 months after opening our first store. We expected this would take three years," says Mr Mohapatra.

THE PROPERTY MARKET

The lure of high returns

Healthy balance sheets are *tempting new lenders,* writes Norma Cohen



The sight of collapsing property markets in south-east Asia is likely to prompt collective sighs of relief from bankers in the US and the UK, who learnt only too well the dangers of over-lending to the sector not so many years ago.

Naver again, bankers vowed, would they indulge in the rash lending practices which caused the property markets on both sides of the Atlantic to boom and bust so explosively.

Indeed, for the first half of the decade, lending to property projects has been subdued, with almost no money available for speculative development.

Yet new data suggest that however painful the lessons of the last recession have been, rising property values and surplus cash on bank balance sheets are tempting money back into property.

Significantly, a portion of new money is coming from new types of lenders, such as building societies and institutional investors who are buying property-backed securities.

DTZ Debentham Thorps, the international property *consultancy*, concludes in its 1997 Mooey into Property Survey that traditional bank lending to property is still falling.

Data from the Bank of England show outstanding debt to property companies fall to just over £30bn ($47.7bn), down from just over £40bn five years ago. Although tha decline has been steady, it was not as precipitous in the past two years as it had been for the previous three.

However, DTZ notes the Bank data are only a part of tha *picture*. When all the sources of debt finance are added together, the total is nearly 50 per cent higher than the Bank data show, at about £43bn, DTZ says.

The Bank only tracks the loans of the licensed deposit-takers, a measure that omits *the German mortgage banks* and state-owned Landesbanks, which are among the most vigorous lenders to tha sector. DTZ estimates that this category now accounts for a further £3.5bn in outstanding property loans.

Salmaan Hasan, head of property finance in the London office of BHF Bank, a German wholesale bank, says the willingness of institutions such as his to lend is partly a function of historical good fortune.

"The German banks weren't in this market in the 1980s," he says. "But they followed the German investors in tha 1990s who saw the very attractive yields being offered in the UK market."

German open-ended funds, flush with cash, needed new markets for investment. The UK, in the aftermath of the property crash, has proved attractive and there is no sign that German lenders intend to scale back their activities.

The *ability of these German lenders* to provide finance is partly doe to their ability to issue *pfandbrief* – notes which are secured by 60 per cent of the property against which tha loan is drawn. They are able to sell these at relatively low *interest rates in the* wholesale markets, allowing the banks to compete aggressively for business.

Meanwhile, the DTZ report notes, there is a small, but noticeable, increase in the off-balance sheet debt finance for property. A number of financial institutions have begun to issue asset-backed securities, repackaging their loans as debt securities for sale to other investors.

Admittedly, securitisation is a tiny part of the UK market. However, data from the US show it becoming an increasingly critical source of commercial real estate debt finance.

Net losers, according to data from the Federal *Reserve Bank of New York*, are insurance companies and thrifts. Between the end of 1993 and the first quarter of 1997, lending to non-farm, non-residential property by so-called private mortgage conduits – securitised vehicles – nearly trebled to $67.1bn (£42.2bn) from $25.5bn. Lending to that category of property by banks during that period rose by just under $50bn, to $371.4bn, a much smaller proportionate rise.

In the UK, the newly deregulated building societies are laying claim to the role of newest, serious entrant to property finance.

Current outstandings are £3.7bn, up from £2.9bn at the end of 1995.

DTZ surveyed lenders on that most critical measure of confidence in the property sector – the willingness to provide dsbt finance for speculative development. It found that 60 per cent of those surveyed were willing to leod speculatively, up from 45 per cent in 1995, albeit, they say, with a large dose of caution.

Another indicatioo of the growing availability of debt finance is the narrowing margins on property-related loans. Corporate loans are now available at 30 basis points over London Interbank Offered Rates (Libor), while non-recourse loans to limited partnerships with high-quality properties are at 75 basis points over Libor. Speculative loans, however, continue to carry big risk premiums, the DTZ survey concludes, suggesting that lenders may act as a brake on the oversupply which characterised the 1980s.

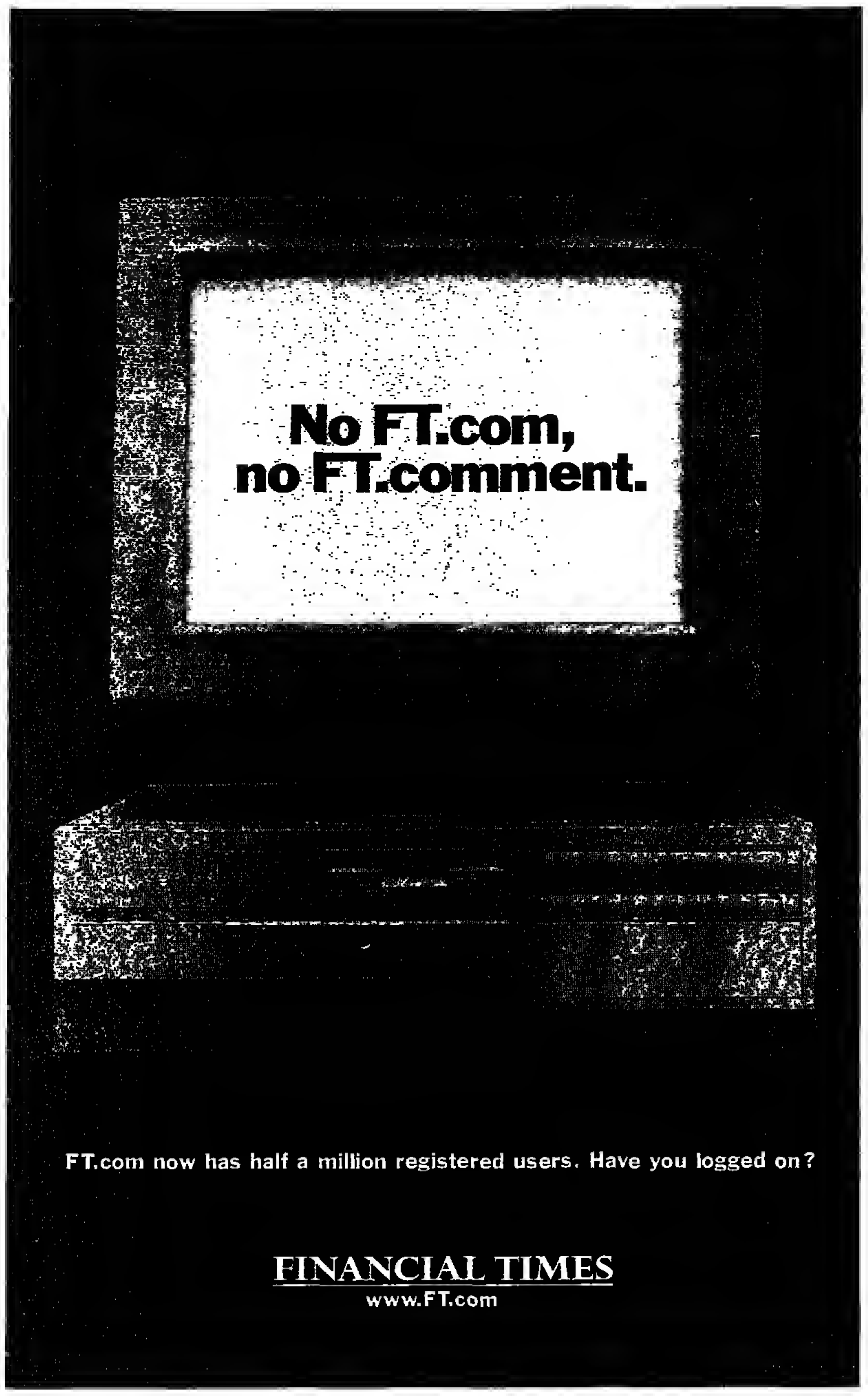
When DTZ surveyed lenders on their required loan-to-value ratios, it found s loosening of requiremeots. Nearly three-quarters of those survsyed said they would offer a 75 per cent LTV on an investmeot loan and a 70 per cent LTV on a oon-speculative development loan.

Overall, says Peter Evans, head of research at DTZ and sutbor of the report, the data show that lenders are *willing to extend increasing* amounts to property, but not with the abandon of tbe 1980s boom.

A oote of caution is oecessary, he says. Lenders have tended to assume that the strong rental growth in prime properties will *necessarily spill over into secondary* prodoct.

"The relatively optimistic picture we see for prime space does not ripple through the rest of the market the way it has in previous cycles," he says.

Lenders that are unable to *make the distinction* will be quick to learn the same painful lessons as their counterparts in south-east Asia.



ARTS

Portraits with a poignant, ironic symmetry

John Major and Tony Benn, now sharing the backbenches in the House of Commons, yesterday joined the Netional Portrait Gallery's mausoleum for the great and the good. These latest additions to what some of us might call the thinking person's Madame Tussands are as different in style as are their subjects in political character. But, though commissioned separately hy successive directors of the gallery, the two paintings present a poignant if ironic symmetry.

Major, whose politics were shaped by his journey to the top from the hleak backstreets of Brixton, is placed in the studied elegance of Downing Street, and thus defined by his surroundings. Benn, whose long political pilgrimage began with the renunciation of a viscountancy and has ended on the scarcely-inhabited islands of the far left, is shown, cardigan-beneath-jacket, in splendidly aristocratic isolation.

Major's portrait is by John Wonnacott, who has said that the then prime minister's diary left him little time for formal sittings. Therein probably lies the explanation for the painting's patient and rewarding detail of the White Room, among the nicest of No 10's grand salons.

Major himself, though, looks stiff, trapped by the studied formality of his surrounding and by the tension which filled the last embattled months of his premiership. The setting thus becomes a substitute for the political euthority which was fast draining from his government. It is a pity, too, that the loyal Norma is tucked away deep in the background. If anyone could persuade Major to unbend during the *bleakest moments*, it was his wife.

Benn is painted hy Humphrey Ocean, whose last commission for the gallery was of a Lord – Whitelaw, this time a Tory peer. Benn, described by Ocean as a dntiful snbject who made regular trips to the artist's studio, is said to be pleased with the outcome. Traditional in its *basic form, it is reodered* less stuffy hy flashes of colour in the background.

There is no doubt, though, it is a portrait of a patrician, the Lord Stansgate Benn chose not to be. These bands do not clntch the ubiquitous mug of tea hy which he sought to model himself as Tony; but, fingers loosely clasped, they remind us that we are all children of our families. I wonder, too, why the the artist has volunteered that "no saner *man has been in my studio*".

Philip Stephens

Opera/**Richard Fairman**

Dutch forge new 'Ring'

The opening night of the Netherlands Opera's new production of *Das Rheingold* was apparently a nail-biting affair. The cast spent most of the evening on tenterhooks wondering if the technical wizardry of the set would deliver its tricks.

Putting togather a new cycle of Wagner's *Der Ring des Nibelungen* is a major undertaking and the Netherlands Opera is planning to forge its *Ring* over the course of a yaar. Having started the season with *Das Rheingold*, it follows on with *Die Walküre* in January, *Siegfried* next June and *Götterdämmerung* in e year's time.

The Muziaktheater has most of the building-blocks in place: a decent orchestra in the Residentia Orkest, a cast which mixes some new singers with experienced, older hands and a producer who also happens to be the company's artistic director, so when there are arguments he is presumably in a good place to get his own way.

Pierre Audi's repntation has been the major draw of this new *Ring*. He has been associated with a lot of new work and new artistic directions, which has raised expectations that he might set out on a new path in the interpretation of the tetralogy. Even Erda, earth goddess, would be unwise to deliver a verdict until the cycle is complete. But on the evidence of this *Rheingold* Audi's *Ring* is unlikely to change the course of Wagnerian history.

In the 1960s productions of the *Ring* were spare and symbolic, the 1970s focused on its politics, the 1980s tried their hand at picturesque myth – and the 1990s? Audi, like the current Bayreuth production and a couple of others, has given us what we might term a "designer" *Ring*. The stylish sets, designed by George Tsypin and strikingly lit by Wolfgang Göbbel, look a bit like the proposed design for the extension to London's Victoria & Albert Museum: fashionably deconstructionalist.

The evening does not turn into a fashion parade, like Bayreuth's 1994 summer collection, but there is certainly a modish feel to it. The gods are dressed as sleek, classical Olympians; the giants are oversized crustaceans: the Nibelungs, poor creatures with no eyes or mouths, run about like embryo Alberichs in the making. But, unfortunately, the clothes *were* the characters. Audi seemed to have undertaken little meaningful direction of his actors.

Wotan was a particular nonentity, despite John Bröcheler having the right kind of nobility in the voice. Reinhild Runkel made more of an impression as Fricka, his battleaxe of e wife. The only character for whom Audi seemed to have formed a distinctive persona was Loge, who was played like a eunuch, forever whining and wringing his limp wrists – a nausaating portrayal, though Chris Merritt did what he could with it, enunciating the text with signal clarity. Anne Gjevang was a less exaggerated Erda than previously. The lesser gods were acceptable; the Rhinemaidens made a mellifluous trio. The outstanding performances came in Nibelheim, where Henk Smit turned Alberich into a character of human complexity and Graham Clark repeated his world-class Mime.

With little of substance to grip on to, there was no call for a heavily significant musical performance and Hartmut Haeochen thankfully leant towards the other end of the spectrum. His Wegner conducting was plausibly Germanic in sound quality, but playful, light on its feet, not intellectually weighty. This left the audience eoough mental capacity to enjoy the prodnction's technical tricks. Best was Nibelheim, a Disneyesque underworld, where miners' trucks ran about of their own accord and fire crackled magically out of every crevice. I would not have cared to be in the danger seats, though. High ebove the stage, about 100 peying members of the eudience were hanging in mid-air, seated oo e semi-circular beam which will eventually be completed to form a symbolic *ring* – *too nail-biting* by half, if you ask me.

Pierre Audi's fashionably deconstructionist 'Das Rheingold': Henk Smit as Alberich

Alastair Muir

Jan Pearson and Alastair Galbraith in 'The Censor'

Theatre/**David Benedict**

Flatter only to deceive

In a dingy basement sits an anonymous, hard-working censor of hard-core pornography. The latest film for his consideration has seemingly no plot, no dialogue or even characters as such, it is merely one sex scene after another. To make it suitable for release he reckons it needs 35 minutes' worth of cuts.

The filmmaker, to whom he formally refers throughont as Miss Fontaine, sees it differently and seeks to persuade him through sexual confrontation. At their first meeting, she removes her shirt and despite initial protestations – he is married – they develop a sexual relationship which unlocks his fantasies and throws the nature of his life and work into stark relief. This is counterbalanced by inter-cut scenes from his soulless, sexless marriage to a wife who numbly *seeks refuge in infidelity*.

One of the initial strengths of Anthony Neilson's play *The Censor* is the unusual power it puts into the hands of the woman, but once the undeniable spell cast hy the arresting opening scene wears off, the impact of their manipulations drains away. Casting aside doubts as to whether censors and directors really meet under snch circumstances, Neilson links private life and perceived public duty as Miss Fontaine breaks through the censor's fixed opinions, her coldly clinical approach to sex releasing his needs. He begins to discern structure and meaning in the film, yet as the evening wears on, doubts creep in.

The film's sexual relationship may have validity for the filmmaker, but the descriptiou of it suggests such a reading is unavailable to a viewer. If it really is a work of art, why is it so undercharacterised? Signs of compassion as the filmmaker releasea his shamefully secret sexual needs are undercut by her ruthlessness, which marks her out as a cousin to the rabid, *rabbit-boiling* Alex in another three-way drama, *Fatal Attraction*.

Part of the problem is the playwright's own icily measured, over stretched production. Although it lasts just under 90 minutes, the self-conscious pacing portrays an air of portentousness which even the strong performances cannot relieve. Before delivering the final shock, Neilson reprises everything we have seen so far of the censor's marriage, which shows us nothing other than that Neilson is no Samuel Beckett.

The rationale hehind and the relationship between artistic censorship and self-censorship has huge dramatic potential. The representational and public nature of theatre means it is uniquely placed to display and discuss the dichotomy between simulation and stimulation, to explore the gap between what is seen and what should or shouldn't be shown. Although *The Censor* leads you inexorably to such thoughts, that is not, unfortunately what Neilson has written. Thought-provoking though it is, his subject matter is meatier than the work itself. Like Tom Stoppard's *Every Good Boy Deserves Favour* (with which it has little elsa in common) this is a play which flatters yon into thinking that you have thought long and hard about a given subject.

Royal Caurt Upstairs at the Ambassadors, London WC2 (0171 565 5000).

INTERNATIONAL ARTS GUIDE

AMSTERDAM

DANCE
Het Muziektheater
Tel: 31-20-551 8911
Giselle: Dutch National Ballet new season opens with this staging by Peter Wright; Sep 12, 13, 16, 18

BERLIN

CONCERTS
Konzerthaus Tel: 49-30-203090
Berlin Symphony Orchestra: conducted by Michael Schoenwandt in works by Martinu, Henze, Matthus and Shostakovich. With violin soloist Michael Erxleben; Sep 12

Philharmonie
Tel: 49-30-2548 8354
Deutsches Symphonie-Orchester Berlin: conducted by Vladimir Ashkenazy in works by Brahms. With violin soloist Ide Haendel; Sep 13

OPERA
Deutsche Oper
Tel: 49-30-34384-01
Der Rosenkavalier: by R. Strauss. Conducted by Jiři Kout in a staging by Götz Friedrich; Sep 14

CHICAGO

EXHIBITIONS
Art Institute Of Chicago
Tel: 1-312-4433600
A Collecting Odyssey: Indian, Himalayan, and Southeast Asian Art from the James and Marilynn Alsdorf Collection; to Oct 26

LONDON

CONCERTS
BBC Proms, Royal Albert Hall
Tel: 44-171-589 8212
● Sir Colin Davis replaces Sir Georg Solti as conductor of the London Symphony Orchestra and Chorus and the London Voices in Verdi's Requiem; Sep 12
● The Last Night of the Proms: Andrew Davis conducts the BBC Symphony Orchestra and Chorus and BBC Singers in a programme which draws together the season's themes; Sep 13

National Gallery
Tel: 44-171-839 3321
Seurat and The Bathers: places Seurat's great "Bathers at Asnières" in e context provided by his own earlier work, and studies and drawings for tha painting, as well as works by predecessors who influenced him, and by his impressionist contemporaries; to Sep 28

OPERA
Barbican Theatre
Tel: 44-171-638 8891
The Royal Opera: Giulio Cesare, by Handel. The season opens with this new production, directed by Lindsay Posner and conducted by Ivor Bolton. Cast includes Amanda Roocroft and Ann Murray; Sep 13, 15, 17

LOS ANGELES

OPERA
L. A. Opera, Dorothy Chandler Pavilion Tel: 1-213-972 8001
● Fedora: by Giordano. La Scala production staged by David Edwards and conducted by Edward Downes. Cast includes Maria Ewing and Plácido Domingo (to Sep 14); Sep 14, 17
● *La Bohème: by Puccini.* Revival of Herbert Ross's production, designed by Christopher Harlan. Conducted by Plácido Domingo on Sep 12 and Williamo Vendice on Sep 18

MUNICH

CONCERTS
Philharmonie Gasteig
Tel: 49-89-5481 8181
Munich Philharmonic Orchestra: conducted by Gianluigi Gelmetti in La Rondine, by Puccini. With the Munich Philharmonic Choir; Sep 12, 14, 15, 16

NEW YORK

EXHIBITIONS
Museum of Modern Art
Tel: 1-212-708 9480
From Henri de Toulouse-Lautrec to Andy Warhol: Exploring Techniques. Selection of 70 works – woodcuts, etchings, lithographs and screenprints – from the collection; from Sep 18

OPERA
New York State Theater
Tel: 1-212-870 5570
● L'Italiana in Algeri: by Rossini. New York City Opera/Glimmerglass Opera. Conducted by George Manahan and directed by Christopher Alden; Sep 12, 17
● Macbeth: by Verdi. New York City Opera production directed by Leon Major and conducted by Georga Manahan; Sep 14, 18
● The Magic Flute: by Mozart. New York City Opera revival. Conducted by Derrick Inouye in e staging by Lotfi Mansouri; Sep 13

OTTAWA

EXHIBITIONS
National Gallery of Canada
Tel: 1-613-990 1985
Renoir Portraits: featuring works from throughout his career, this exhibition includes some of Renoir's most famous paintings. Tha show will travel to Chicago and Texas; to Sep 14

PARIS

CONCERTS
Théâtre des Champs Elysées
Tel: 33-1-49525050
● Orchestre National de France: conducted by Charles Dutoit in works by Stravinsky and Orff; Sep 17, 18
● Recital of works by Liszt, Debussy and Franck given by violinist Olivier Charlier and pianist Brigitte Engerer; Sep 14

EXHIBITIONS
Jeu de Paume
Tel: 33-1-4703 1250
César: major retrospective of one of the most important French sculptors of the century. Tracing tha different approaches and materials with which he worked, the axhibition includes almost 500 objects; to Oct 19

Musée Nationel d'Art Moderne, Centre Georges Pompidou
Tal: 33-1-4478 1233
Fernand Leger: retrospective of the early modernist, who amerged from tha Cubist revolution around 1910 to move towards abstraction; to Sep 29

OPERA
Opéra National de Paris, Opéra Bastille Tel: 33-1-44731300
Le Nozze di Figaro: by Mozart. Conducted by James Conlon in a staging by Giorgio Strehler. Cast includes Anthony Michaels-Moore and Barbara Bonney; Sep 13, 16

ROME

CONCERTS
Auditorio di Via della Conciliazione
Tel: 39-6-6880 1044
Orchestra and Choir of the Accademia Nazionale di Santa Cecilia: conducted by Daniele Gatti in works by Brahms; Sep 17, 18

VENICE

EXHIBITIONS
Palazzo Grassi
Tel: 39-41-523 1680
German Expressionism: Art and Society. Kirchner is at tha centre of this selection of works, dating from around 1910 to tha mid-1920s. Other artists represented includa Meidner and Marc; to Jan 11

VIENNA

EXHIBITIONS
KunstHausWien
Tel: 43-1-712 0495
Herb Ritts: first European retrospective of work by the American photographer. Previously seen in Boston, the exhibition ranges from portraits of Hollywood celebrities to images of Africa; to Jan 18

WASHINGTON

CONCERTS
Kennedy Center
Tel: 1-202-4674600
● National Symphony Orchestra Beethoven Festival: Marathon Concert Part One, conducted by Leonard Slatkin. Programme includes the Leonore Overtures; Eisenhower Theater; Sep 13 (Part Two is on Sep 19)
● Netional Symphony Orchestra Beethoven Festival: Leonard Slatkin conducts e programme including the Overture to Fidelio; Eisenhower Theater; Sep 14
● Netional Symphony Orchestra Beethoven Festival: Leonard Slatkin conducts e programme including excerpts from The Creatures of Prometheus; Eisenhower Theater; Sep 15, 17
● National Symphony Orchestra Beethoven Festival: Leonard Slatkin conducts Symphony No. 6 in F major and Symphony No. 7 in A major; Eisenhower Theater; Sep 18

EXHIBITIONS
National Gallery of Art
Tel: 1-202-737 4215
Sculpture of Angkor and *Ancient* Cambodia: Millennium of Glory. Around 100 works dating from 6th-16th centuries make up this exhibition of Khmer sculpture, the first of its kind in the US. Previously seen in Paris, the show will travel to Japan; to Sep 28

TV AND RADIO

● **WORLD SERVICE**
BBC World Service radio for Europe can be received in western Europe on medium wave 648 kHZ (463m)

EUROPEAN CABLE AND SATELLITE BUSINESS TV
Monday to Friday, Central European Time:

● **NBC/Super Channel**
07.00: *FT Business Morning*
10.00: *European Money Wheel*
Nonstop live coverage until 15.00 of European business and the financial markets.
17.30: *Financial Times Business Tonight*

● **CNBC**
08.30: *Squawk Box*
10.00: *European Money Wheel*
18.00: *Financial Times Business Tonight*

Philip Stephens

'President' Blair

The prime minister has a vision of a government without natural enemies, reaching out to princes and to paupers

There is no gainsaying bis audacity, even if you prefer to call it impertinence. In Tony Blair's unfolding script, it is not enough that familiar boundaries of political allegiance are shifted. They must be erssed. He was once content to borrow Disraeli's One Nation standard. No longer. The goal now is to define tbe politics of The Nation.

This is tbe backclotb against whicb we should reflect on Mr Blair's effortless appropriation of the monarchy in the aftermath of tbe death of Diana, Princess of Wales. Not so long ago, his party was proud of its republicans. Yet how natural it somehow seemed that this particular prime minister should interpose himself between the sovereign and the menace of the tabloid press. How fortuitous he was at hand to nudge the House of Windsor into being a touch less stuffy in confronting the haffling paroxysm of national grief.

Mr Blair's handling, if that is the right word, of the Princess's funeral cbanged the political weather. Before that fateful Paris night, he was the immensely popular leader of s party that had just won an extraordinary electoral victory. Now he is the nation's leader, not merely its prime minister; the repository of its innermost emotions as well as its aspirations. Tbe royal family, it seems, is safe in the hands of President Blair.

There is a temptation to dismiss all this as an impressive yet fleeting triumph for New Labour's public relations. And there is something in the analysis. The party is obsessive in its preoccupation with the public mood and unmatched in steering the curreots to its own sdvantage. And in a moment of crisis, a monarchy trapped in the protocol of Queen Victoria's reign had little choice but to lean on Mr Blair's popularity. Diana, or at least the memory of her the nation has chosen to cherish, meanwhile offered New Labour tbe perfect emblem: compassion witb fashion.

But this is to misunderstand Mr Blair. He is painting on a mucb bigger canvas. His project is to build s political base that liberates him from his own party. In Old Labour's lexicon, inclnsive politics meant a commitment to the poor, an end to social exclusion. For Mr Blair, the phrase has a subtler meaning. His coalition reaches out to princes as well as paupers.

Mr Blair is often compared to Margaret Thatcher, and there are indeed many parallels. But here, there is also a critical difference. She defined her politics by its enemies and then confronted them on the battlefield. She never sought the backing of the trade unions, nor worried that the disadvantaged would always be on the other side. Mr Blair's vision is of s government without natural enemies. His opponents are to be won over not defested.

The process started, of course, before the election with the co-option of middle Britain's aspirant classes. It has gathered pace since. Business, wooed before polling day, has been warmly embraced. David Simon, the former chairman of British Petroleum, has left tbe boardroom for Whitehall. Captains of industry and finance have been drafted in to a swathe of policy reviews. A banker heads an inquiry into tax and benefit reform, an insurance company chief executive advises on welfare-to-work.

In Blair's politics, the symbolism vaults above the intractabilities of modern life. Most, though not all, of the agenda exists only at the level of imagery

Paddy Ashdown's Liberal Democrats might hsve been ignored. They doubled their seats at Westminster, but were rendered irrelevant by Mr Blsir's huge majority. Yet in 10 days tbey will enter Whitehall's innermost sanctum, handed a role in sbaping tbe reform of Britain's creaking constitution. Mr Asbdown muses about a possible coalitiun. With only moderate hyperbole, he talks also of a seminal moment in the nation's politics.

We could go on: David Mellor, a minister in John Major's Conservative cabinet, heads the government's review of soccer, the national sport. Michael Heseltine, not so long ago Mr Major's senior lieutenant, is offared s role in shaping plans for the millennium.

Of course, the party's traditional supporters can be part of the new movement: on precisely the same terms as the newcomers. Thus Mr Blair this week visited the annual conference of the Trades Union Congress. His body language said he hated every moment. The unions, he told a sullen audience, had nothing to lose but their dogma. Their influence began and ended with the persuasiveness of the arguments. It is little wonder, then, that ministers in Mr Blair's government sometimes leave the prime ministerial study in 10 Downing Street unsure as to what party they represent.

The banner under which this grand coalition is to march is modernisation. The economy, the constitution, relations with the rest of the world, the welfare state and, though here be cannot be explicit, the monarcby – all must be updated. Rich and poor, hoardroom fatcat and redundant miner, all share the same interest in realising this vision of the "21st century model of a developed nation".

At this point many will snigger. I recall doing just that when Mr Blair first said he intended to recreate Britain as s "young country". In his politice, the symbolism vaults above the intractabilities of modern life. Most, though not all, of the agenda exists only at the level of imagery, as easy to deride as describe. The style is Bill Clinton's. Yet we have seen countless times in Mr Clinton's presidency how government by good intention founders on the rocks of reality.

Mr Blair invests too much faith in the capacity of political will alone to solve the insoluble. His conviction that all sides in society can coexist without conflict is touching, if distinctly unfamiliar on the left of politics. It owes more to idealism than he would admit.

Yet the prime minister is no fool. I think he understands the nation's mood far hetter than most in the political classes, his cabinet colleagues included. There is no appetite for crude adversarial politics. So Mr Blair stands a few steps aside from his supporters. I do not doubt there will be moments also when be chooses, as Mrs Thatcher sometimes did, to govern against his own party.

We all know things will go wrong, expectations will be disappointed and promises broken. Mr Blair will not escape hlame. But we should underestimate neither his ambition not his place in the zeitgeist of the times. This is a politician wbo bas decided he will always be more popular than his government.

·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'), email: letters.editor@ft.com Published letters are also available on the FT web site, http://www.FT.com

Translation may be available for letters written in the main international languages.

Services output puzzle must be solved

From Professor Ira Sohn,

Sir, In his sequel ("Brave new world", September 9) to an earlier article ("Anatomy of a miracle", June 20), Gerard Baker is even more dismissive of the notion that enhanced prodnctivity in the vast US service sector – in the wake of the introduction of computers and other information technology – is responsible for fuelling recent non-inflationary, high-employment economic growth.

This is so, he argues, even if, as many – including Alan Greenspan, the Federal Reserve chairman ("Productivity growth at a 3-year high", September 10) – believe that the statistics are flawed. I would carry his argument one step further: not only is our measurement of actual output unreliabla but so must be our estimate of potential output since we do not have a meaningful measure for "output" of services, which constitutes more than two-thirds of US economic activity.

A solution to this measurement puzzle would provide a quantum leap in our understanding, management and, ultimately, the performance of modern economies. This is so because of the increasingly dominant role assumed by the service sector in its share of gross domestic product (already more than 60 per cent in developing countries such as Chile) and, more importantly, its share of total employment (in excess of 70 per cent in the US).

Equipping public and private sector decision-makers with modern "navigational instruments" should enable countries such as the US to enhance their growth potential, countries in the EU – struggling with unacceptably high unemployment rates – to raise the level of actual economic activity closer to their potential, and successful emerging-market countries like Chile to reduce their poverty rates.

More than half a century before the publication of *The Wealth of Nations*, parliament, through the Longitude Act of 1714, promised a prize of £20,000 (equal to at least £500,000 [$795,000] in today's purchasing power) to solve a problem that had enormous consequences not only for the British economy but for civilisation itself.

Given the importance of the "productivity puzzle" and the benefits that would sccrue from its solution, perhaps a World Bank/International Monetary Fund-sponsored competition could be discussed at their annual meeting next week?

Ira Sohn,
professor of finance,
School of Business Administration,
Montclair State University,
Partridge Hall 417,
Upper Montclair,
NJ 07043, US

Significant movement into D-Marks is unlikely during euro transition period

From Mr John Turner.

Sir, Samuel Brittan's Economic Viewpoint "Cloud over the euro" (September 11) repeats the suggestion that there may be significant cash movements into the D-Mark from the other Emn currencies during the transition period, tha so-called "one-way bet". I question this.

For the one-way bet to succeed it is necessary for the euro to break up before the end of transition, leaving the transferred funds in tha, presumably "better", D-Mark. However, as I read the Maastricht treaty, there is no mechanism for onwinding the euro once it has begun.

For the euro to fail, there would therefore need to be a breakdown of the Maastricht treaty, and the resulting economic and political chaos would probably bring about the end of the EU.

While I agree that, of the European currencies, the D-Mark might be the least worst option in this scenario, anyone who seriously expected this to happen would be far wiser to sell their lire, pesetas, etc, and buy dollars, the most certain beneficiary from chaos in Europe.

John Turner,
principal Emn consultant,
TCA Consulting,
New City Court,
20 St Thomas Street,
London SE1 9SD, UK

No hare-brained strategy for survival

From Mr Andrew Campbell.

Sir, John Kay's hare and tortoise story ("A boardroom fahle", September 5) is not complete. McBooz and Ashlittle, consultants to the hare family, had spotted the physical advantages and had recommended that hares compete in all running races where tortoises were likely rivals even if the terrain was less than ideal. Moreover, McBooz's scenario analysis included a "predator" scenario in which lions became a problem.

As a result of these excellent analyses, s division of the hare family chose to follow tortoise to the marshes and specialise in running races.

This division did not prosper as much as their plains relatives, bnt they did survive the influx of lions. Now the plains are populated by descendants of the marsh hares, and the hare dynasty has a less prosperous but successful marsh division.

McBooz and Ashlittle continue as hare's trusted advisers.

Andrew Campbell,
director,
Ashridge Strategic Management Centre,
17 Portland Place,
London W1N 3AF, UK

Applauding the truth

From Mr Peter Cresswell.

Sir, I am confident that millions of us would applaud Christopher Dunkley for printing the truth of the "Lady Di dies" story as orchestrated by our broadcasters and press, above all BBC TV and radio ("Whatever happened to freedom of cbolce?", September 10).

However distressing to their families, and no doubt millions around the world, the deaths that Sunday morning proved not the day of reckoning for the tabloids, as first mooted, but a bumper sales opportunity at the expense of our monarch. When a real 20th century heroine, Mother Teresa, died, Fleet Street and Broadcasting House seemed unable to respond with affection or sincerity. Surely the saintly vagabond from Calcutta deserved better? Of course, she led a blameless life and no doubt had few Versaces in ber wardrobe.

Peter Cresswell,
9 Woodlands Avenue,
Harrogate HG2 7SJ, UK

US trade policies are being held hostage to infighting within the Democratic party, say Gerard Baker and Nancy Dunne

Fast track bogged down

It looked like just one more Clinton administration foul-up. Bill Clinton, the US president, had been scheduled on Wednesday to mark what his closest advisers had termed a "defining moment" of his presidential term. He was to unveil proposals to Congress, whicb would give him "fast-track" authority to negotiate trade agreements with otber countries.

But a last minute flap caused the announcement to be postponed. Instead, Mr Clinton gave an anodyne speech, calling on legislators to support the idea of fast track, without telling them what the specific proposals he wanted them to support were.

Beneath the surface the case of the disspeering trade policy was perhaps the starkest illustration yet of the political disarray at the heart of the Democratic party. It highlighted the continuing fissures between Old and New Democrats, and prefigured a fierce battle that will dominate the party's electoral prospects for the rest of Mr Clinton's presidency.

Fast track would give the president the authority to sign comprehensive trade agreements with foreign governments, witbout having the wbole deal unpicked by Congress. Legislators would not be allowed to amend the treaty, but would accept or reject it outright.

Every US president since Gerald Ford has been given fast-track authority. But in the past few years popular hostility towards the North American Free Trade Agreement and continuing battles with Japan and China have ignited rare passions. Since 1994 the Clinton administration has shied sway from a request to renew the legislation.

Free or fair: the fast-track policy causes Bill Clinton, Al Gore and Richard Gephardt (left to right) pre-election concerns

The problem has been that a majority of Democratic congressmen and a large number of senators are bostile to the idea. They have articulated popular fears tbat tougb US rules on labour conditions and environmental standards mean free trade is not fair trade, as American goods are undercut by products from countries with lax environmental regulations that exploit their workers.

Most Democrats want to add a rider to ths fast-track authority, requiring the president to make labour and environmental factors a consideration in signing agreements.

Most Republicans, hy contrast, who control a majority in both houses, support unconditional fast-track authority. In the past, that would have been enough to overcome the Democrats' ohjections. The pattern of the Clinton presidency has heen that on critical votes – earlier trade sgreements, international treaties and most recently the budget – the White House has built a coalition consisting mainly of Republicans with a small bloc of moderate Democrats.

That had been the plan until this week. But the last-minute postponement of Wednesday's annooncement suggested the stakes have suddenly become mncb higher for the White House.

Richard Gephardt, the Democratic leader in the House of Representatives, has long been known as one of the main supports of fair, rether than free, trade. He remains the Democrat most likely to mount a challenge for the presidential nomination in 2000 to Al Gore the vice-president, and Mr Clinton's favourite.

Mr Gephardt has long been close to US trade unions, most of which also oppose fast track. Alienating Mr Gephardt and organised labour has never presented much difficulty for the Clinton administration, which has staked out a centrist position in opposition to the party's left wing.

But with little over two years to go to the start of the 2000 campaign, Mr Clinton and Mr Gore cannot run the risk of further alienating powerful interests in their party. Unions contribnted more funds for Democrats in last year's election campaign than ever before, and their money is likely to play a key role in the Democratic primaries in 2000. As Mr Gore was increasingly hounded hy claims of dubious and even illegal fund-raising activity in tbe last campaign, the need for a reliable, uncontentious source of funding becomes all the greater.

Just as troubling for Mr Gore is that fast track could lose him the support of one of his most valued constituencies. Many environmentalist groups, unhappy at the prospect of freer trade with environmentally "insensitive" countries, bave expressed dissatisfaction with fast track.

These problams for the White House were underlined last week as it put the finishing touches to its proposals. Though support among House Democrats for fast track had alway been racognised as patchy, the Senate had been thought to be a different matter.

But when Charlene Barshefsky, the US trade representative, met senators returning from their summer break last week, sba was surprised at the hostility to fast track even among Democrats from whom she had expected support.

So it suddenly became critical to Mr Gore's election prospects to write more concessions to labour and environmental lobbies into the fast-track proposal. Hence the last minute delay.

The White House says it will prodnce its proposals next week. But satisfying all sides is becoming harder. Republicans – wbo are implacably opposed to special environmental and labour provisions – are muttering that they may not be happy.

The lesson of the fast-track mess concerns the continuing divisions within the Democratic party. Though Mr Clinton and bis "New Democratic" administration have crafted a centrist political agenda in government that has been electorally successful, the gulf between them and the rest of the party remains as wide as ever. Unlike Tony Blair, Britain's prime minister, Mr Clinton has failed to pull large numbers of the Democratic party towards the middle ground.

When Mr Clinton could appeal directly to the American people for support, that mattered less than it does now. But Mr Gore will soon have to descend into the arena of campaigning in the Democratic party's primaries. He can ill afford to make enemies in his own party.

& The peace process in Bosnia has entered a critical stage. It is imperative that the international commnnity fully understands wbat is at stake in the days and weeks ahead.

Personal View · Carl Bildt

The coming crisis in Bosnia

The international community must act against Serb hardliners to give the country the chance of a lasting peace

The main challenge for the peace process today is to break the back of the ultra-nationalist Bosnian Serb leadership in Pale in order to snd the isolation of the Serbs of Bosnia.In essence, it is about saving the Bosnian Serb state from itself.

In late spring last year, the Bosnian Serbs' then prime minister, Rajko Kasagic, was sacked by Radovan Karadzic, then president, with srguments nearly identical to those now being used against President Biljans Plavsic. Mr Kasagic was accused of being a "soft Serb", and I, the High Representative in Bosnia was accused of staging a coup in the Bosnian Serb state, the Republika Srpska.

That crisis led to the disappearance of Mr Karadzic from the visible leadership of the Serb republic and to the elevation of Mrs Plsvsic as president. She was chosen because of her loyalty to Mr Karadzic bnt soon demonstrated her independence of mind and her determination to pursue ber own aims.

Gradually, she started to see how destructive were the policies of the five "Ks" – that is, of Mr Karadzic, of Momcil Krajsnik (tha Serb member of the Bosnian presidency), of Dragan Kalinic (president of parliament), of Gojko Klickovic (prime minister) and Dragan Kijak (police chief). Mrs Plavsic came to realise they were leading the Repnhlika Srpska to catastropbe, partly in economic and social terms and partly over the issne of the Brcko corridor linking the Banja Luka area with eastern Bosnia.

As she made her views widely known, and as the relationship between ber and the international community atarted to become closer, the Pale leadership acted against ber. In coordination witb the Serbian president, Slobodan Milosevic, a clnmsy attempt was made to arrest her. When this failed, they planned direct police action in her stronghold of Banja Luka, nnly to be pre-empted by the action of the police in the area who remained loyal to Mrs Plavsic.

This started the second stage of the power struggle, which is now ending. Having taken control of western Republika Srpska – which means control of police and TV – the Plavsic camp found itself widely snpported in tbe Brcko corridor and north-east Bosnia. Her snpporters inside tbe ruling SDS party and the police started to consolidate their positions.

This was a deadly threat to the hardliners in Pale. They risked being isolated in eastern Bosnia. And they staged a brutal counter-attack against Mrs Plavsic and international representatives alike. Organised thngs and orchestrated acts of terror were used in a campaign that forced the UN police force out of key areas and had the US troops of SFOR, the Nato-led peacekeeping force, running for cover, military as well as political.

The climax came wben SFOR, in a disgraceful deal, handed over a key TV transmitter in the Bijelina area to the Pale hardliners, thus effectively securing their victory in this key territory.

Thns encouraged, the Pale hardliners tried to stage a coup sgainst Mrs Plavsic. At a key SDS leadership meeting last Friday, Radovan Karadzic issued a written directive accusing key party members of failing to be ready to risk their lives in the battle against the elected President. Buses filled with plainclothes police terrorists were prepared to go into action. But it all ended in failure thanks to the Banja Luka police, the reaction of the public and the action of SFOR to disarm the terrorists. The Ks had to leave Banja Luka in defeat and disgrace.

But this is just the end of the beginning. The conflict is bound to escalate.

Mr Karadzic has ordered his supporters to be prepared to risk their lives in battle. And Mr Milosevic can hardly risk losing the Republika Srpska to less authoritarian Serb leaders allied with the democratic opposition in Belgrade. Much is at stake for the leaderships in Pale and Belgrade. Some of them fear defeat more than they fear death.

With their policy in Brcko, the Bosnian hardliners have abandoned all pretence of respect for the Dayton peace accord. If the Pale camp were to prevall against Mrs Plavsic, an armed confrontation with the international community would be unavoidable. It would then be virtually inevitable that Brcko, which is now part of Republika Srpska, would have to be given to the Muslim-Croat Federation – and that handover would precipitate the sort of armed confrontation that could destroy the Repnblika Srpska and might well lead to loss of life for the Nato forces.

Decisive action now to protect the legal president would be far less risky than this alternative. Nato has been hesitating for much too long.

It should not be difficult to gain control of key TV transmitters and make certain that they are not used exclusively by one side. It should not be beyond the capabilities of Nato to disarm the so-called special police of the hardliners. And it is becoming increasingly necessary to match rhetoric with reality and apprehend key suspected war criminals indicted by the Hague Trihunal.

True, there might well be turmoil associated with these actions. But to sby away from them now is to pave the way for a choice between even worse options later on.

Last-minute manoeuvring over the terms for local alections this weekend are only a prelude to a bigger struggle over how to implement their results. With the possibility of Moslems winning Srebrenica in Repuhlika Srpska and Serbs taking back Croat areas in western Herzogovina, there will be ample work for ths international community.

There is a need for decisive action. The time for empty rhetoric or empty gestures - like moving fighter bombers between European countries as a reaction to mob violence in Bosnia - has gone. What is needed are soldiers on the ground ready to take risks for peace and democracy. That is why we have soldiers in Bosnia.

The author was formerly the European Union's High Representative in Bosnia and is chairman of Sweden's Moderate Party

COMMENT & ANALYSIS

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Friday September 12 1997

Japan on a knife edge

The figures for Japanese gross domestic product in the April-June quarter were bound to be weak, given the buoyancy of spending in the previous quarter in anticipation of April's fiscal tightening. Even so, s contraction in real GDP of 2.9 per cent, equivalent to an annoalised rate of more than 11 per cant, is a dismal outcome against a background of booming exports.

Tha implication is that the Japanese economy was running out of growth even before the financial crisis in south-east Asia started to have an adverse impact. The government's official forecast of growth of close to 2 per cent in the fiscal year to March 1998 thus looks unlikely to be achieved, notwithstanding hopeful noises from officials in Tokyo.

The conclusion must be that the decision to embark on fiscal tightening before consumer confidence had heen properly restored was badly misconceived. Having failed to use the breathing space provided by the fiscal boost in mid-decade, the government is now uncomfortably boxed in, with the weakening of the dynamic Asian economies adding to the pain.

East Asia accounts for close to 40 per cent of Japan's foreign trade. Its exports to the region are greater than its exports to the US. East Asia also absorbs the greater part of the Japanese banking system's foreign lending. As the rash of currency crises and competitive devaluations hit the trade partners of the devaluing countries, Japan will be the most notable victim.

In policy terms, Japan's options are now bopelessly restricted. The current account of the halance of payments has been rising at a rate that has already prompted US warnings against yen depreciation – the obvious escape route – along with demands for domestic stimulus. Coming after Bill Clinton's triumphalism over the US industrial renaissance, this defensive stance on trade looks paradoxical to the point of disingennousness. But it is no less real for that.

Nor, given the commitment of Ryutaro Hashimoto, the Japanese prime minister, to fiscal retrenchment, is there much chance that US pleas will meet a sympathetic hearing wbeo Larry Summers, US deputy treasury secretary, dispenses his wisdom to the Japanese in Hong Kong next week. The fiscal position is anyway serious.

The consequence will no doubt be that the Japanese will emphasise the strength of their commitment to deregulation, a structural remedy that will add stimulus only in the long run. And as usually happens when policy offers no solution, markets will provide a safety valve. Further depreciation of the yen looks inescapable.

The benign aspect of this outcome will be that a strong dollar will continue to restrain inflationary pressure in the US and underpin the bond market. The less attractive implication is that the scene is set for a nasty bout of trade friction, combined with potentially lower economic growth in the US.

This is not a cheerful prospect. Among other things, it suggests that the potentially deflationary impact of a rash of competitive devaluations should be firmly on the agenda at the forthcoming International Monetary Fund meeting in Hong Kong.

Swedish left

The conference of Sweden's Social Democratic party is looking depressingly atavistic. Instead of building on its success with fiscal stabilisation to launcb needed structural reform, the party is embracing tired socialist shibboleths.

The philosophy of the party has always been to combine fiscal prudence with high public spending. Thus the success of the SDP in lowering the fiscal deficit, from a peak of 12.3 per cent of gross domestic product in 1993 to a forecast of around 2 per cent this year, is consistent with its history. The scale of the task was exceptional; the priority accorded to it was not.

Yet far more is needed to make the Swedish economy snccessful than eliminating an unsustainable fiscal deficit, however necessary. The big failings are both long standing and structural. To these, unfortunately, the SDP appears to be unwilling to respond.

The salient feature of past performance bas been slow growth. The Organisation for Economic Co-operation and Developmant and the World Bank show that Sweden's real income per head (at purchasing power parity) fell from third to 17th in the world between 1970 and 1995 (with a few small countries excluded from the count).

Until the late 1980s, Swedes could point to low unemployment. This is so no longer. The OECD's standardised unemployment rate was 10.9 per cent in May, while the share of the population of working age in jobs fell from 84 per cent in 1990 to 73 per cent in 1996.

If Sweden is not to fall further behind, it needs the growth that only a dynamic private sector can provide. Suatainahle incraases in employment depend on exactly the same thing. Yet such dynamism is most unlikely to emerge in a country where, after several years of alleged austerity, public spending still accounted for 65 per cent of GDP last year.

True, the SKr8bn ($5.4bn) proposed increase in spending is only 0.5 per cent of GDP. Similarly, the plan to impose s retrospective wealth tax on shareholders of companies that have left tha Stockholm stock market's main listing is merely an anti-avoidance measure. Yet neither action indicates awareness of the true challenge. Sweden cannot afford to increase public spending or penalties on shareholders. Until policy-makers understand this, Sweden's long-term underperformance will continue.

Steady at seven

The Bank of England did just what it promised yesterday: nothing. And there are signs that it will be proved right in halting the recent rise in interest rates at 7 per cent.

It said a month ago that it did not quite know where the economy was heading and wanted to pause for new data. It is plainly too early to be sure of the effects of the four quarter-point rises in rates since May; but most of tbe recent indicators point in the right direction.

Exporters may think that the 6 per cent depreciation of sterling since the beginning of August was too little and too late compared with its 27 per cent rise during the previous 12 months. But the Bank has modest grounds for celebration.

The new Monetary Policy Committee's announcement last month that interest rates would stay put for a while was clearly meant to be beard by the foreign exchange markets. It was also intended, no doubt, to reassure Tony Blair, the prime minister, that the Bank was not trying to defeat inflation with a scorched earth policy.

In marking down sterling, the markets bave prohahly heen more inflnenced by the belief that recovery in Germany and France will lead to a rise in continental interest rates. But no matter: if sustained, sterling'a fall against the D-Mark will clearly make the setting of UK monetary policy slightly less difficult.

Meanwhile there have also been optimistic signs that domestic demand may be coming off the boil.

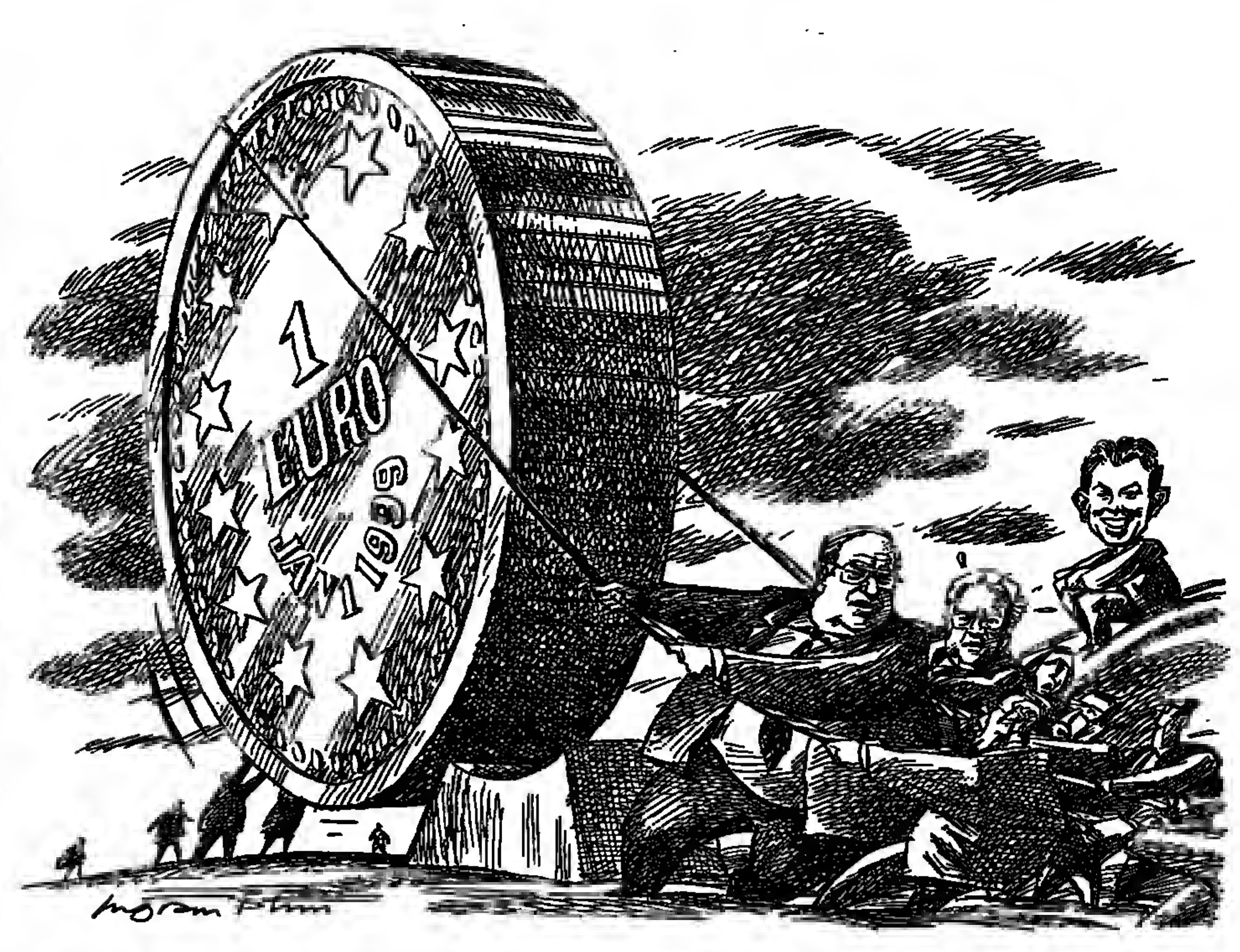
The latest survey by the British Retail Consortium showed a marked deceleration in the growth of spending in shops, although the annual rate of increase (3.9 per cent) is still quite high. House price inflation may be easing and house building starts are somewhat weaker.

Wage inflation remains subdued. There is also some evidence that consumers are becoming more cautious in spending windfall gains from building societies. At the same time, manufacturing ontput, although depressed by sterling's strength, has held np better than many expected.

These are only hints of a gradual slowing down. There are still dangers on either side: of excessive inflation if demand is not curbed, or of recession if monetary policy is too tight. So far, though, it looks as if the Bank may have put its chips on the right squares.

Heads they win

The next few months will determine whether and how European economic monetary union will proceed, says **Lionel Barber**



Europe's project to launch ecooomic and monetary union on January 1, 1999 is moving rapidly into a fascinating end-game.

The scene shifts tomorrow to tha spa town of Mondorf-les-Bains, Luxembourg. There European Union finance ministers and central bank governors will seek to reinforce the impression that progress toward the single currency – the euro – is irreversible.

So far they have succeeded, brilliantly. Over the past two years, as the Emu blueprint has unfolded, sceptical financial markets have turned into converts. Big business and the banks are investing beavily in preparation. A sense of calm resolution prevails among the technicians.

Yet the political ramifications of Emu remain as contentious as aver. In Germany, the cornerstone of a future monetary union, debating the pros and cons of giving up the D-Mark is no longer taboo. A growing oumber of politicians on the Left and Right are floating the idea of a delay if the Emu entry criteria are fudged.

Tbe German dehate bas become so feverish that Jacques Santer, the president of the European Commission, lashed out this week against the "diatribe of doubt" affecting Emu. "The end is in sight," he said, "and it's oot the time to frighten people about the solidity of the single currency."

So will the calm in the financial markets continue, allowing EU leaders to steer their project to a successful conclusion? Or will events conspire against the odds to force a last-minute delay?

The grounds for thinking there will be no delay are three-fold. First, economic growth is picking up. The recovery is no US-style boom, hnt most forecasters reckon that the EU could see 3 per cent growth in 1998. Euro-gloom is lifting.

Second, EU economies are converging. The average rate of inflation, at about 2 per cent, is the lowest in almost 20 years; only Greece is expected to show consumer price inflation of more than 3 per cent in 1997.

Fiscal convergence is almost as impressive. Five countries – Denmark, Finland, Ireland, Luxembourg, and the Netherlands – registered pohlic sector deficits in 1996 under 3 per cent of GDP, which was one of the principal targets for countries wishing to join the single currency. All the other member states will be close to – or under – the Maastricht benchmark in 1997, except Greece.

Italy is perbaps the most impressive performer. As a share of GDP, the deficit is at its lowest level since 1971. Last summer, long-term interest rates reached their lowest level since 1974. Officials in Brussels estimate that, provided the government starts to tackle pension reform in its 1998 budget, Italy has a serious chance of being a founder member of Emu.

Third, the political will driving monetary union forward looks as strong. Chancellor Helmut Kohl of Germany has sacrificed plans for faster political integration in the EU, preferring to stake all oo Emu. The prime ministers of Belgium, Italy and Spain have declared their policies to be "Emn or bust".

The swing country is France. After the Left's victory in the French parliamentary elections last May, the new coalition government headed by Lionel Jospin appeared to waver over Emu. The extra spending cuts it seemed to require looked like being too much to swallow for Socialists fresh from a campaign against the austerity programme of the previous Gaullist government.

But economic growth and stronger tax revenues sppear to bave let the coalition off the hook. Dominique Strauss-Kahn, the finance minister, has coaxed Mr Jospin to support the goal, long held in France, of using monetary union as a tool to dismantle the Bundesbank's *de facto* power to set interest rates across the EU.

Ironically, it is in Germany that doubts still exist about meeting the Maastricht criteria in 1997. Germany's debt is rising, largely because of the costs of unification. Theo Waigel, the finance minister, has dug himself into a bole hy pledging that the 1997 deficit would meet the criterion of 3 per cent of GDP to the decimal point.

A year sgo, that promise looked like a ruse to keep out suspect southern ecooomies such as Italy, but record unemployment and lower-than-expected growth is playing havoc with German tax revenues. Mr Waigel's plan to revalue the Bundesbank's gold reserves in 1997 punctured the belief among ordinary Germans that their government would not resort to accounting trickery to qualify for Emu.

The public uproar that forced the government to modify this plan has cootributed to a collapse in the authority of Chancellor Kohl and a failure of nerve in Germany's political establishment. Tbough thinga could change, Germany's omens for Emu do not look good. The election season has begun. Politicians are hunting for votes in the regional elections and the general election in September 1998. Some, such as Gerhard Schröder of Lower Saxony or Edmond Stoiber of Bavaria, are using talk of a delay in Emu to weaken the Chancellor who is seeking an unprecedented fifth term.

What makes the situation unpredictahle is that the German election campaign risks spilling over into an Emn decision-making timetable, which already leaves little room for miscalculation.

- By the end of February 1998, the Commission and the European Monetary Institute should receive final and definitive data for EU member states economic performance for 1997.
- At the end of March, the EMI, and Brussels will produce reports on the state of convergence and offer recommendations on which countries they judge to have met the Maastricht criteria.
- Over tbe next six weeks, national legislatures, including the Bundestag and the European Parliament, will debate the EMI and Commission reports.
- In early May 1998, EU leaders will meet under the (irony of ironies) Britisb presidency to select the founding members of Emu. At tbe same time, EU finance ministers and central bank governors are expected to announce the method of fixing the conversioo of national currencies into the euro.
- On January 1, 1999 Emu members will lock their exchange rates together irreversibly and the future European central bank will operate a single monetary policy throughout the euro zone.

What spokes might get stuck in this rolling wheel? The first tricky period will he between publicatioo of the EMI and Commission recommendations and the final political decision on Emu in May. The second danger zone runs from May to January 1, 1999 wben the markets need to be convinced that the final selection of Emu members and the conversion rates into the euro are credible.

Jean-Claude Juncker, the youthful prime minister of Luxembourg, sees tbe conversion rate issue as tbe billion-euro question. He will chair the debate in Mondorf tomorrow, and the outcome should give some important clues as to bow ministers and central bankers intend to play the Emu end-game.

One minority view is that EU leaders should launch a pre-emptive strike, catching the markets on the hop by setting an early conversion rate. But tbe majority view is leaning in favour of declaring that the central rate in the European Exchange Rate Mechanism will be the rate of cooversion, and waiting to see what the market views as parities next May.

Tbe latter option would amount to a big change in thinking since the "currency wars" of 1992-93 wheo EU central banks fougbt in vain to defend exchange rate parities. "The world bas changed, yoo cannot wage war against the markets," says ooe Commission official, "you have to find a consensus."

The idea of a permaneot dialogue with the financial markets can be extended to the choice of members. If the selection is credible, so the argumeot goes, the markets will remain calm. But if political calculations outweigh ecooomic fundamentals, there is a risk of chaos.

Two conclusions follow. First, the margin for manoeuvre for EU leaders in May 1998 is extremely limited. The Germans would find it virtually impossible to discard independent professional recommendations declaring Italy to have met the criteria. It would be the contemporary equivalent of a declaration of war.

Secood, the Italians – or any other country judged to have fallen short – will find it virtually impossible to muster a majority in favour of entry. Even countries such as France, which favours early Italian entry, would find it difficult to carry the day.

Even if the Emu end-game is carried to a successful concinsion, that does not resolve the underlying political tensions in the Emu project. For the divisions on bow France and Germany view the operatioo of Emn remain profound.

France sees a broad-based Emu as a new political-economic force to challenge the US. It is pressing for political influence over the euro's exchange rate policy and wants firm commitment to s pro-growth, pro-employment policy in the post-Emu world.

Germany remains fixed to the principle of an independent central bank wedded to price stability in a euro zone where countries would be committed to near-automatic fiscal discipline. It is suspicious of calls for a "new European economic government".

These differences are certain to surface in the coming months, but for the moment Europe's monument for the millennium looks increasingly like it will be completed on schedule.

· O B S E R V E R ·

Treasury trove

■ Stand by for puffs of white smoke spiralling above the UK Treasury as contenders emerge to replace Sir Terry Burns, the most powerful civil servant in the department that holds the government's purse-strings.

It's by no means certain that Burns – the chief architect of s recent internal Treasury shake-up – is on his way out, hut he hasn't proved the most popular currency in the basket with new Labour party finance minister Gordon Brown.

The result is that the government gossip machine is in overdrive. If be does move on, the job is sure to attract big-hitters from other deparments. Andrew Turnbull, now at environment and a recent, unsuccessful, contender for the pivotal post of Cabinet Secretary, is one name in the frame. Former Treasury official Rachel Lomax – who did a stint at the World Bank and is now the top civil servant at the Welsh Office – is another possibility.

From inside the Treasury itself there are two obvious candidates; Nigel Wicks, international finance director, and Gus O'Donnell, once chief spokesman to former prime minister John Major and now the Treasury's man in Washington.

The dark horse is Steve Robson, director of finance, regulation and industry. Regarded as a hatchet man with a heart of gold, Robson is credited with doing much of Burns's dirty work during the department's recent reorganisation. Something of a rising star, he's just been promoted to the rank of second permanent secretary – a good jumping-off point for the top job.

Chinese Burns

■ After the handover, another handover. Francis Cornish, Britain's consul general, is set to leave Hong Kong by the end of the year, and is due to be replaced by Sir Andrew Burns, deputy under-secretary of state at the Foreign Office.

The changing of the guard soon after July's transfer of sovereignty suggests Britain feels things are going pretty smoothly in its former colony. But the appointment of a senior diplomat, a former ambassador to Israel, should provide a safe pair of hands – just in case. Burns, like Cornish, is a former head of the Foreign Office news department and while no Sinologist, he has experience of dealings with Beijing. Having headed the British delegation in tortuous talks over the funding for Hong Kong's new airport, be will certainly be hoping for a smoother ride when he jets into the territory.

Card game

■ The credit card industry has been telling the world for years that the cashless society is at hand. Yesterday, it was Visa'a turn to proclaim another step towards the new dawn, and it duly ratcheted up the level of hype.

It had hired the Rainbow Suites, 60 storeys above Manhattan in the Rockefeller Plaza. It had called in all its global directors, and assembled them to jostle with a large chunk of the New York press corps. And they were all there to witness – the first transaction with Visa's new Roskart, a debit card due to be piloted by Inkombank in St Petersburg (Russia, not Florida) this month. The world's press watched video screens as a Visa executive chose between an Inkombank T-shirt and a set of Russian dolls. Truly the world will never be the same again.

Visa does have another card up its sleeve – in case, somehow, the cashless society hasn't arrived by 2002, when a new single currency is supposed to replace cash in some European countries. The new-look cash will cause such confusion that Europeans will reach for their trusty Visa cards instead, bringing the dawn at last.

Papal bullseye

■ Pope John Paul II might not be expecting to play a part in the Philippines elections next year. But an attempt is being made – by the presideot of the Philippine Constitution Association, no less – to drag him into the fray.

Exequiel Garcia has writteo to His Holiness asking him to restrain Cardinal Jaime Sin, the country's most famous bishop who likes to dabble in politics. Garcia accuses Sin of sowing division and encouraging civil disobedience.

The Church retains great influence in Asia's only Catholic country. But many believe Sin, who found fame in 1986 when he urged Filipinos to take to the streets against the tanks of Ferdinand Marcos, has overstepped the mark with recent vitriolic attacks on President Fidel Ramos and suggestions of impending martial law.

Sin likes to pose as guardian of Philippine democracy, and his popularity will be tested at the September 21 rally he has called with ex-president Corazon Aquino. A lot of people will be glued to their television sets to assess the turnont: maybe the Vatican will be tuned in too.

The Financial Times

50 years ago

Marshalling The Dollars
The main preoccupation of American statesmen at present is the problem of bridging the "Marshall Gap" – the time interval between the exhaustion of Europe's immediate dollar resources and tha launching of full-scale Marshall Aid. The original timetable envisaged the re-asssembly of Congress next January and the initial implementation of the Marshall proposals in the spring. But all the available evidence proves overwhelmingly that American aid will be needed long before that if Europe is to get through the winter without a slump in its living standards to levels that would have incalculahle political and economic repercussions.

Java Sugar Crop Prospects
Amsterdam, 11th Sept. It is expected that this year a sugar area of 12,000 hectares will be planted in Java with an estimated crop of 70,000 tons. Productive apparatus of undamaged sugar factories can cope with 250,000 tons. A more normal sugar crop is expected in 1949. It is estimated that in Eastern Java 50,000 hectares of rubber estates are undamaged. About 10 per cent bas been lost. Practically undamaged, 70 rubher factories in that area will be ahle to deal with the production without difficulty.

FINANCIAL TIMES
Friday September 12 1997

US chief executives stand firm on companies' freedom of action

By Richard Waters in New York

Chief executives of some of the biggest US corporations yesterday insisted companies should retain freedom to run their affairs as they saw fit.

But the Business Roundtable. which represents more than 200 large companies, did propose regular reviews by non-executive directors of the performance of the chief executive, and a oumber of other suggestions reflecting rising expectations of corporate governance.

The emphasis on companies' freedom of action effectively took a stance against a recent proposal from Calpers, the California state pension fund, a champion of investor activism.

The proposals add to the growing stack of rival views covering how companies choose and reward their directors and how their boards operate. These have prompted a behind-the-scenes tussle over whether shareholders should have direct involvement in how companies are run.

"Form is less important than substance in how a board works," Mr Walter Shipley, chairman of Chase Manhattan and head of the Business Roundtable group that produced the paper, said yesterday. "You can have all tha form in the world, bnt if the relationship between the board and the CEO breaks down," the company's shareholders will suffer.

The paper from the Roundtable follows a proposal earlier this year of far stricter guidelines on corporate governance from the California Public Employees' Retirement System. Calpers made waves in corporata circlee when it suggested widespread adoption of such things as term and age limits for board directors. though its own board is currently reconsidering tha guidelines and has yet to adopt them.

"We don't think the one-size-fits-all philosophy makes sense," said Mr Shipley. "Companies at different times have different needs."

The Roundtable's paper drew a muted response from the Council of Institutional Investors, a group representing institutional investors like Calpers which has been among the most aggressive in forcing individual companiae to change their corporate governance practices.

"If they're not going to set up a rigid standard of best practices, they ride around it," said Peg O'Hara of the CII. She added, though, that the Roundtable's viewe were likely to carry more weight in corporate circles than those from institutional investors, and so could help further the adoption of good boardroom practices.

Despite taking a very different philosophical approach to boardroom behaviour, the Roundtable's latest paper on corporate governance – its first since 1990 – nonetheless reflects the shift that has taken place in expectations of good practice this decade.

The group recommends, for instance, that a company's independent, non-executive directors meet at least once a year outside the presence of its chief executive. It also proposes that independent directors review a chief executive's performance formally.

Statement on Corporate Governance, The Business Roundtable: www.brtable.org.

See Lex; Warning over transparency, Page 2

THE LEX COLUMN

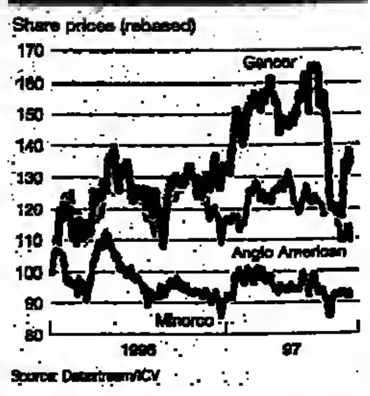
Business on board

Corporate governance should not be reduced to an arbitrary checklist of rules. That is the view of the Business Roundtable, a US big business forum, which published its corporate governance report yesterday. And very sensible it is too – as far as it goes. Detailed governance agendas, badly needed in some European countries, may be less appropriate in America. After all, most boards already have powerful independent directors and US shareholders are aggressive by international standards; the huge teachers' pension fund is currently targeting HJ Heinz precisely for its lack of independent non-executives.

Still, it should be possible to find a middle way between the formulaic rules advocated by the likes of Calpers, the California public pension fund, and the Business Roundtable's insistence that companies should be able to do as they please. Appointing a clear leader among the independent directors, for instance, would giva shareholders an important contact point in case of trouble. Restricting the ease with which companies can institute takeover defences without shareholder approval also looks overdue. And while paying executives in shares and options is laudable, companies should introduce performance hurdles for these awards. Otherwise a rising market can bring exceptional rewards for mediocre achievement. With corporate governance increasingly a factor in global investment decisions, the US cannot afford to be left behind in the debate.

FTSE Eurotop 300 index: 919.7 (-17.1)

Minorco



BOT-Mitsubishi

Japan has been trying to sweep its bad loan experience under the carpet for too long, assisted by lenient disclosure standards. Now the veil is finally lifting. More rigorous disclosure standards only come in next spring, bnt yesterday's announcement from Bank of Tokyo-Mitsubishi, pre-empting the new rules, gives an inkling of what lies ahead. The upshot is a Y1,100bn ($9.2bn) provision, much larger than expected.

Even if this proves sufficient – and past experience suggests it may not – it hardly augurs well for other banks. BOT-Mitsubishi probably has the lowest proportion of non-performing loans of all. Moody's, the credit rating agency, believes US standards would reveal bad loan figures three times the level Japanese banks own up to. Moreover, unlika BOT-Mitsubishi, many smaller banks lack the capital strength to make big write-offs.

For banks hoping ecooomic recovery might rescue some of their bad credits, the 2.9 per cent fall in second quarter gross domestic product was grim news. Ultimately the sector is likely to return to health only when the problem of overcapacity, which depresses returns, is addressed. But so long as bail-outs and rescues persist, that seems a distant prospect.

BTR

Another day, another British group seeks to shed the conglomerate tag. Given its string of profit warnings and terrible share price performance, BTR was clearly under greater pressure than Williams to pull a rabbit out of its hat. And the promise to sell its non-engineering businesses and use much of the proceeds for a share buyback was certainly a big rabbit. How delicious it will taste is another matter.

The strategy of becoming a focused engineering group is not quite as neat as it sounds. BTR will still consist of three big divisions and four smaller ones, with little in common except that they can all be branded engineering. BTR has yet to make the case that shareholders would not be better off with a full break-up. It is confident trade buyers will buy its non-core businesses at premium prices. One hopes so. If all it does is net £3bn, a figure suggested by some analysts, it is hard to see disposals enhancing shareholder value. The immediate effect would be to dilute earnings per share by over 20 per cent. Even if BTR bought back a quarter of its shares – to keep its debt/market capitalisation ratio constant – dilution would still be nearly 15 per cent.

Dilution would be worth it if BTR can step up earnings growth in the remaining businesses. At present, underlying profits on the engineering side are barely growing. Ian Strachan, the chief executive, has put his head on the block by promising growth of 10 per cent for some businesses and at least economic growth plus inflation for the rest. Achieve that and BTR will merit the rating of a middling engineering stock, implying further upside for the shares of perhaps 10 per cent. Fail and Mr Strachan will probably have to go.

Minorco

No longer is it possible to disparage Minorco as a passive investment company with more money than sense. Yesterday's results show it is capable of running a tight operating ship. And there is the added appeal of some impressive projects in the pipeline – the Collabuasi copper and Cerro Vanguardia gold developments. But if the company is to graduate into the first rank of natural resource companies, it must grasp two nettles: its domicile and its asset mix.

With rival Billiton having swooped into the FTSE 100 index, Minorco's Luxembourg base looks increasingly anomalous. Clearly this continues to offer large tax benefits, so moving to London would be costly. But this needs to be set against the considerable re-rating potential which would flow from possible FTSE 100 membership and wider share ownership – most of the free floating shares are currently in South African hands. It would require hefty tax savings to offset a gain of, say, 10 per cent on a market capitalisation of £3bn.

Such a re-rating would enjoy a further leg up if the business was focused further. Base metals, gold and industrial minerals may belong together; paper and agribusiness are anomalies. The price of this eprawl is that the company is poorly understood and trades at a discount of 25 per cent or more to peers like Rio Tinto and Billiton. This may reduce when new projects come on stream. Bnt while Minorco prefers the sidelines, it will be excluded from the investment mainstream.

See additional Lex comment on Centrica, Page 23

Japan GDP

Continued from Page 1

-edged that the recent sharp rise in the Japanese current account surplus would be discussed at the G7 meeting, but said be would explain that the rise in the surplus was probably over. "Lately it's true that our external surpluses have been rising sharply compared with the year earlier. I don't expect that trend to continue." he said.

Private consumption in the April-June period was 5.7 per cent lower than in the previous quarter.

Microsoft

Continued from Page 1

recognise individual words, but "understand" them, nsing contextual clues.

Already, researchers have demonstrated computer recognition of continnous speech with an accuracy of over 90 per cent.

To date, bowever, most of Microsoft's speech research bas focused on the English langnage. Applying tbe research to other languages will involve gathering billions of examples of words and how they are pronounced in each language and various dialects and accents. L&H is a specialist in this area and will collaborate with Microsoft.

"For the past several years Microsoft has made great progress toward a vision of the personal computer that can interact with users via spoken language," said Nathan Myhrvold, Microsoft's chief technology officer.

Microsoft is paying just over $32 a share for its stake. Shares in L&H gained more than $4 in early trading on Nasdaq yesterday and were trading at $36 at lunchtime following the announcement.

Jump in currency revenues defies downturn forecasts

By Simon Kuper

Revenues in the first half up by 40% for some European banks

Foreign exchange revenues jumped at almost all large European banks in the first half of 1997, confounding last year's belief that the currencies industry had embarked on a long downturn.

Deutscbe Morgan Grenfell and Swiss Bank Corporation raised currencies and related revenues by 40 per cent or more compared with the same period in 1996. Most UK commercial banks reported turnover growth of at least 20 per cent. ABN Amro had a 10 per cent increase.

Earlier this summer, most US banks reported strong advances. The figures were collected from interim reports by the magazine FX Week.

A year ago, many thought revenues would naver rebound. European economic and monetary union seemed set to wipe out as many as 11 currencies. New electronic broking systems had cut margins and apparently reduced volatility. Banks fired an estimated 1,000 currencies traders. This year, volatility recovered sharply, leading to a surge in revenues. The rise in the dollar helped volatility in leading exchange rates to double from last year. Emerging markets turnover rosa, partly because of this summer's Asian currencies crisis.

Nick Beecroft, head of global spot and proprietary foreign exchange trading at Deutsche Morgan Grenfell, said: "There's been a lot going on. We could hardly have asked for more."

Profits were also helped by job cuts in 1995 and 1996, and the dollar's rise against European currencies has flattered reported revenues of European banks as they translate dollar income into home currencies.

Marc Hotimsky, global head of fixed income and foreign exchange at CSFB, said: "It took European banks a long time to understand they had too many people trading European currencies against one another. A lot of them have got their act together and reduced staff, time, investment and capital they devoted to European currencies."

Today demand for traders and analysts is strong again, particularly on emerging markets desks.

DMG, which has invested heavily in emerging markets, reported a 40 per cent rise to DM441m ($244m) in its proprietary trading revenues, from currencies, metal and foreign notes, compared with the first half of 1996.

Swiss Bank Corporation reported a 43 per cent surge to SFr592m ($400m) in foreign exchange and bank notes revenues for the first half. HSBC Holdings, the UK bank, raised its foreign exchange dealing income by 28 per cent to £243m ($414m). National Westminster saw a 23 per cent revenue rise to £139m. In the Netherlands, ABN Amro raised foreign exchange dealing revenue by 10 per cent to Fl 406m ($692m).

Currencies, Page 25

Tabacalera reclaims leadership in cigars

Continued from Page 1

list for early next year. It says this is the biggest acquisition it has ever undertaken.

César Alierta, a former stockbroker who became chairman last year, said more than half the purchase price would be debt-financed. Details have yet to be finalised.

He said he had set out with the objective of making Tabacalera "the number one cigar company in the world".

It had secured this position in volume terms, making it "the only cigar multinational", he said. The purchases would bring it two factories in the US and two others prodncing hand-made cigars in Honduras and Nicaragua.

The acquisitions will form part of Tabacalera Cigars International (TCI), a recently formed offaboot. They are expected to have sales of $178m this year and $203m next year.

They should generate profits this year of $42m before tax, depreciation or interest charges. This figure is forecast to rise to $50m next year, when the acquisitions will be consolidated into group results.

Tabacalera says that, with Havatampa, it will have a world market share of almost 11 per cent. It puts its share in the US at 7.5 per cent of premium cigars, 27.5 per cent in "mass" brands and 10 per cent of small cigars.

FT WEATHER GUIDE

Europe today

A deep depression, centred to the west of Norway, will keep Scandinavia unsettled, with plenty of cloud and showers.

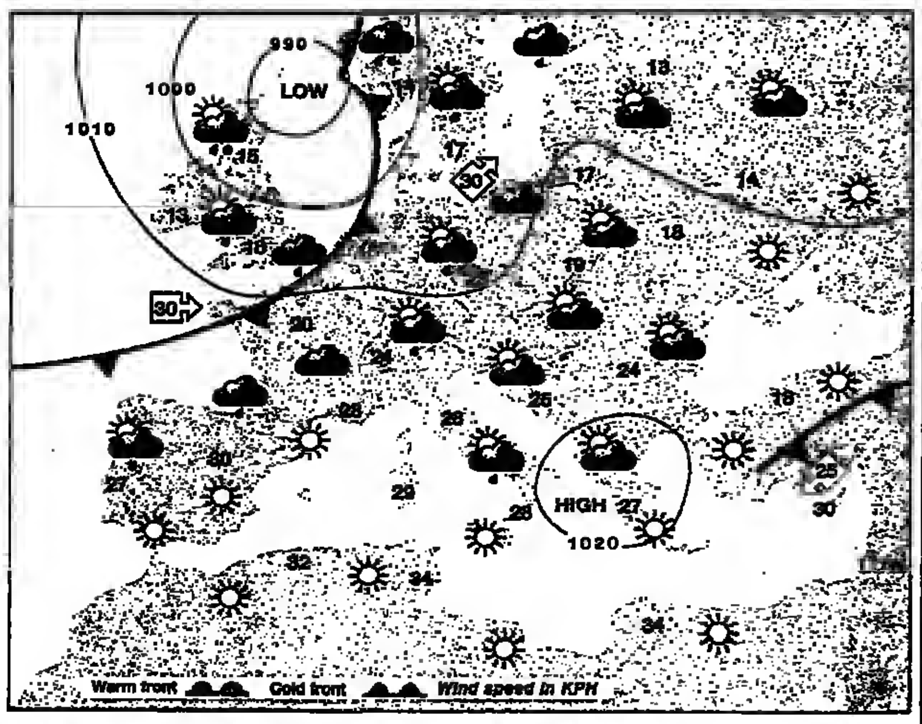
North-west Europe will be more unsettled than recently. Western France will have persistent rain. The rest of France, northern Italy, the Alps, the Low Countries and Germany will have heavy showers in the afternoon, with a risk of thunder over the mountains. Eastern Europe and most of the Mediterranean will be fine with plenty of sunshine. Northern Spain and north-west Portugal will turn cloudy, with showers in the afternoon.

Five-day forecast

Scandinavia and north-east Europe will have further showers and some longer spells of rain. It will be cool at first, but turn milder for a time early next week.

Italy and the Balkans will be showery and cooler.

North-west Europe may have showers tomorrow, but it should become sunnier on Sunday and Monday.



Situation at midday. Temperatures maximum for day. Forecasts by PA WeatherCentre

TODAY'S TEMPERATURES

	Maximum Celsius										
		Beijing	fair 22	Cardiff	shower 16	Frankfurt	shower 21	Madrid	Sunny 30	Rangoon	fair 31
		Belfast	shower 13	Casablanca	fair 25	Geneva	thunder 24	Majorca	sun 31	Reykjavik	fair 7
Abu Dhabi	sun 38	Belgrade	fair 24	Chicago	sun 24	Gibraltar	fair 27	Malta	sun 30	Rio	fair 26
Accra	fair 29	Berlin	cloudy 22	Cologne	shower 20	Glasgow	shower 13	Manchester	shower 15	Rome	thunder 28
Algiers	sun 34	Bermuda	fair 29	Dakar	fair 31	Hamburg	thunder 19	Manila	shower 32	S. Frsco	sun 24
Amsterdam	rain 18	Bogota	fair 20	Dallas	fair 33	Helsinki	rain 18	Melbourne	fair 17	Seoul	fair 26
Athens	sun 27	Bombay	cloudy 32	Delhi	fair 32	Hong Kong	fair 32	Mexico City	fair 24	Singapore	fair 32
Atlanta	sun 29	Brussels	shower 18	Dubai	sun 40	Honolulu	sun 32	Miami	fair 32	Stockholm	rain 18
B. Aires	fair 19	Budapest	fair 22	Dublin	fair 14	Istanbul	fair 22	Milan	shower 28	Strasbourg	thunder 23
B.ham	shower 16	C.hagen	rain 18	Dubrovnik	fair 25	Jakarta	fair 32	Montreal	shower 22	Sydney	fair 19
Bangkok	shower 36	Cairo	sun 32	Edinburgh	shower 15	Jersey	shower 19	Moscow	cloudy 14	Tangier	fair 29
Barcelona	sun 27	Caracas	sun 33	Faro	sun 24	Johannesburg	shower 15	Munich	fair 24	Tel Aviv	sun 31
						Karachi	sun 38	Nairobi	fair 27	Tokyo	shower 28
						Kuwait	sun 42	Naples	fair 29	Toronto	shower 21
						L. Angeles	sun 27	Nassau	shower 32	Vancouver	rain 18
						Las Palmas	sun 29	New York	shower 24	Venice	fair 26
						Lima	fair 24	Nice	sun 28	Vienna	fair 22
						Lisbon	sun 28	Nicosia	sun 30	Warsaw	cloudy 20
						London	shower 18	Oslo	rain 16	Washington	thunder 25
						Lux.bourg	shower 18	Paris	cloudy 20	Wellington	rain 11
						Lyon	thunder 24	Perth	fair 19	Winnipeg	shower 26
						Madeira	sun 27	Prague	fair 23	Zurich	fair 23

FINANCIAL TIMES
COMPANIES & MARKETS
Friday September 12 1997
Week 37

INSIDE

Barrick reacts to falling gold price

"We are not in the gold business because we are in love with gold. We are in the gold business to make money for our shareholders." So says Peter Munk, chairman of Barrick Gold, as he explains the move by the Canadian group to close four mines, write off its interest in a fifth and cut exploration spending in response to falling gold prices. Page 22

Political winds ruffle Bangkok

Bangkok investors hold their breath every time Thai prime minister Chavalit Yongchaiyudh, left, opens his *mouth to speak about* politics. This week the political temperature has risen sharply. The prime minister faces a no-confidence debate later this month and a parliamentary vote on Thai constitutional reform is set for early October. As the deadline approaches there are fears that reform could be blocked. Page 36

Oil concessions may lead to conflict

Turkmenistan, the central Asian republic, is offering concessions in 11 blocks in the Caspian Sea, one of the world's most promising regions for hydrocarbons exploration. But the delineation of the Caspian Sea continental shelf is still disputed among the five states bordering the sea – Turkmenistan, Russia, Azerbaijan, Kazakhstan and Iran. Page 26

Companies in this issue

Market Statistics http://www.FT.com

CROSSWORD, Page 26

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
VEW	573	+	13
Falls			
Continental	45.25	–	1.05
Hoechst	75	–	2.80
Mannesmann	841	–	21
Merck	68.7	–	1.4
Meusch Roeck	573	–	34
NEW YORK ($)			
Rises			
BET	50⅜	+	9⅜
Pillowtex	28⅛	+	4⅛
Rohr	30	+	2⅛
Falls			
Corning	41⅜	–	5⅛
Donnelley	35½	–	2¾
Tel Brasil	121	–	6¼
LONDON (Pence)			
Rises			
Cohen (A.)	400	+	65
Goodhead	35	+	4
Sidlaw	87	+	6½
Falls			
Bakyrchik	26	–	11½
Floral St.	130	–	42½
Limelight	37½	–	27
TORONTO (C$)			
Rises			
Ibex Tech	6.85	+	0.60
Intl Comfort	9.50	+	0.60
Major Drlling	29.90	+	2.40
Falls			
Corel	6.75	–	1.10
MDSI Mobile	25.00	–	2.00
Utd Dominion	40.00	–	1.50

PARIS (FFr)			
Rises			
BNP	288.3	+	9.2
Chargeurs	390	+	23
Falls			
Air Liquide	889	–	23
Danone	809	–	31
Eurafrance	2350	–	74
SGS-Thomson	506	–	32
TOKYO (Yen)			
Rises			
Takashimaya	1480	+	50
Falls			
Arabian Oil	3330	–	170
Eisai	2400	–	110
Jusco	3020	–	110
Noritake	771	–	58
Yokogawa El	778	–	52
HONG KONG (HK$)			
Rises			
Hopewell	4.72	+	0.32
Falls			
Amoy Props	7.55	–	0.25
Cathay Pac	12.25	–	0.75
First Pacific	8.05	–	0.35
Henderson Inv	8.50	–	0.25
Sino Land	7.20	–	0.15
BANGKOK (Baht)			
Rises			
Bk of Ayudhya	62.50	+	5.50
Dhana Siam	27.50	+	2.50
Foremost	75.00	+	6.50
Phatra Thankt.	41.75	+	3.75
Falls			
Thai Stnly El	31.50	–	3.50
Thailand Iron	18.00	–	2.00

New York & Toronto prices at 12.30.

Tokyo-Mitsubishi in $7.56bn loss

Bank's heavy bad debt provision raises awkward questions for rivals

By Paul Abrahams in Tokyo

Bank of Tokyo-Mitsubishi yesterday said it would post one of Japan's largest ever corporate losses when it revealed results for the six months to September. The bank expects to make a net loss of about Y900bn ($7.56bn) after writing off bad loans of Y1,076bn.

Tokyo-Mitsubishi, one of the world's largest banks with assets last year of Y77,000bn, *hopes the move will draw a* line under its property and construction-related bad and non-performing debts.

Heavy provisions were expected, but not on such e scale. Last month, ING Barings expected Tokyo-Mitsubishi to write off Y240bn of bad and underperforming loans.

The bank yesterday said it had suffered from unexpected failures and restructurings at non-bank financial institutions and construction companies. It also warned that the Japanese economy had not recovered as expected, predicting that interest rates might have to rise.

The size of the provisions raisee awkward queetions about the extent of bad debts *at other less financially secure* banks.

Tokyo-Mitsubishi's move will put pressure on its rivals to make similar provisions, but few have the strength of Tokyo-Mitsubishi, which is the leading financial institution in Japan's biggest *keiretsu* corporate grouping.

The bank is also among the least exposed to the property market. ING Barings estimates only 10.4 per cent of its loans are to real estate or construction companies. Despite the losses, the credit agency Moody's maintained Tokyo-Mitsubishi's ratings at Aa2 for its deposits.

In all, the bank has put aside reserves of Y1,300bn, equiva*lent to more than 100 per* cent of its Y1,270bn worth of declared bad and non-performing loans. It said there would be no need to raise additional equity following the provisions. Its risk-adjusted capital ratio would still be 8.3 per cent at the end of the month, above the internationally accepted minimum. It expected the ratio to rise to 8.6 per cent by the end of March 1998.

The bank expected to make a non-consolideted operating lose of Y880bn for the six months to September, against the Y50bn profit it had previously predicted. For the full year, it predicted net losses of Y750bn against its previous target of a Y50bn profit. The *bank said it intended to main*tain its dividend.

The bank said it also planned to restructure, cutting staff from 19,304 to 17,000 by 2000 and the number of branches from 354 to 327.

"This will bolster Tokyo-Mitsubishi, without doubt. The bank's willingness to accept losses on that scale demonstrates its strength," said Masaru Kakutani, a director at Moody's. "The other banks will have to decide over the next few weeks whether they can afford to follow its lead in clearing the decks."

Eventually, Japan's banks will be forced to disclose the scale of their problems. Regulations to be introduced in the *spring will make banks assess* bad debts more realistically and oblige them to set aside reserves for problem loans.

Editorial Comment, Page 15
Lex, Page 16
Bad-debt nettle, Page 18

BTR plans to sell off businesses for $4.5bn

By Ross Tieman in London

BTR, the UK-based conglomerate, yesterday announced plans to raise more than £2.8bn ($4.5bn) through the sale of businesses that account for 36 per cent of group sales and employ some 31,000 workers.

Part of the cash will be returned to shareholders; the *rest will be used to develop* the gronp's remaining engineering activities by acquisition and increased capital investment.

The disposals, announced alongside a disappointing performance in the half to June 30, mark a change in the plans detailed by Ian Strachan, chief executive, in his first strategic review a year ago.

They incinde the sale of BTR's highly profitable packaging and materials division, the biggest unit to be disposed of. It was previously identified as a core bnsiness and includes Formica, the laminates manufacturer. The plastics and building prodncts divisions are also to go.

Shares in BTR, which had fallen almost 18 per cent during the past year, rose 16½p, or 7.5 per cent, to 235½p.

Mr Strachan, e former RTZ director who took the helm at BTR in January last year, insisted the move was an "extension" of his original thinking.

"We are now moving to the next phase to accelerate the transformation of BTR to an *engineering gronp from e* diversified industrial group."

But Mr Strachan rejected suggestions that his initial strategy, which involved the sale of businesses with annual sales totalling £2.3bn, had proved inadequate, and his leadership lacking.

"I can't satisfy shareholders' demand for immediate delivery," he said. "This is not a sprint, it is a marathon."

From tiny beginnings, BTR was built by founder Sir Owen Green over three decades into a profitable conglomerate with annual sales of £10bn.

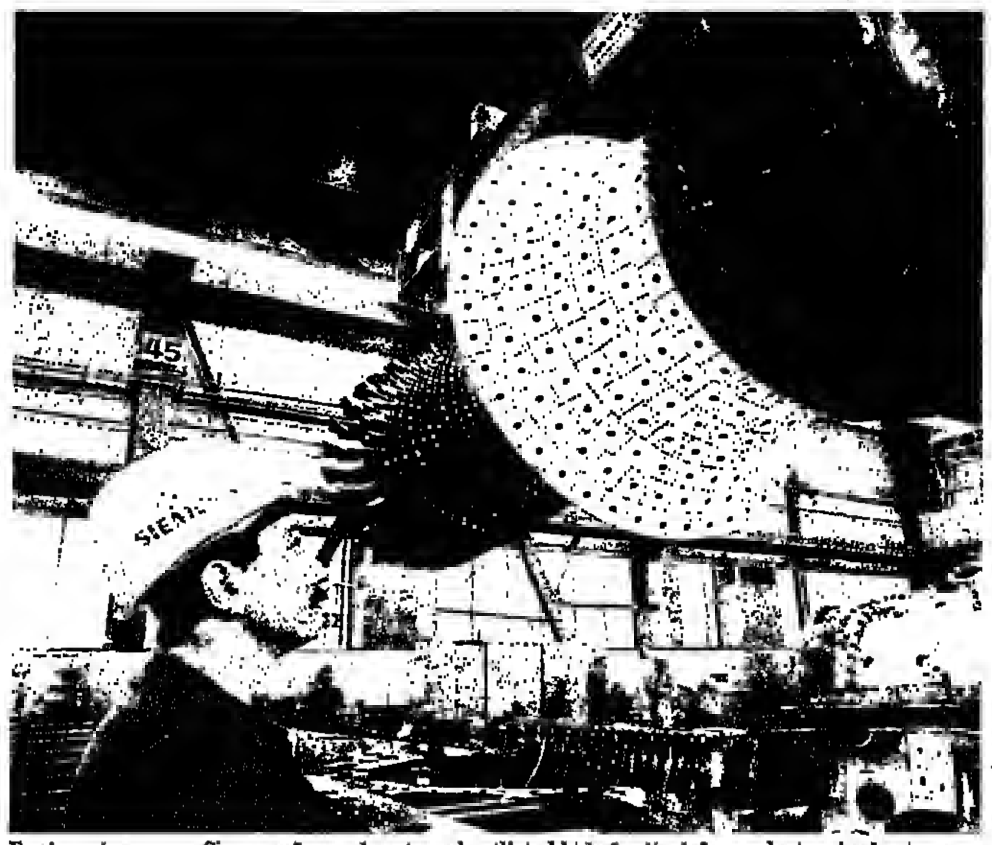
Mr Strachan said the disposals would reduce its most promising businesses mannfecturing antomotive parts, control systems, power drives and specialist mechanical devices. Last year they had sales of £4.88bn and operating profits of £847m.

Lex, Page 16
Results, Page 23

Thomson-CSF and joint Daimler-Benz/BAe bid beat GEC and Alcatel

Siemens draws up final list of two for defence electronics sale

By Graham Bowley in Frankfurt, Ross Tieman in London and David Owen in Paris



Engineering group Siemens focused on two shortlisted bids for its defence electronics business

Siemens, the German engineering group, yesterday narrowed the list of contenders to buy its defence electronics business to Thomson-CSF and a joint bid from Daimler-Benz and British Aerospace.

The surprise decision excludes the UK's General Electric Company, which had been thought one of the front-runners, along with Alcatel, the French engineering group.

But analysts believe GEC, whose managing director, George Simpson, is seeking to expand the group's core defence arm, could later strike a deal with Thomson over some of the assets if the French group succeeds with its bid. GEC executives insist the decision will have no bearing on separate talks between Siemens and GEC about the future of GPT, their telecoms equipment manufacturing joint venture.

Siemens told its workforce on Wednesday that it had narrowed the shortlist for the sale down to BAe and Daimler-Benz Aerospace (Dasa), and Thomson-CSF. Dasa yesterday had no comment.

Negotiations with the two remaining bidders are to resume on Thursday. Due diligence is to begin on Monday. Siemens said e winner would be decided by September 30, the end of the group's financial year.

The business, which inclndes the military radar and radio ectivities formerly owned by Plessey, also has defence electronics businesses in Germany and some activities in Australia. It had annual sales last year of DM1.6bn ($880m) and made a pre-tax profit of around DM60m. The business employs more than 3,000 people in the UK and has a workforce of about 2,000 in Germany. Analysts estimated that the sale could raise as much as DM1bn.

The business was offered for sale by Siemens in February after the UK Ministry of Defence cancelled an order for an electronic warfare system after £50m ($79.5m) had been spent on its development. Morgan Stanley, the US investment bank, was retained to advise on the disposal and to draw up a list of bidders.

The disposal is part of Siemens' strategy to build up its UK civil manufacturing operations. The business was also seen by Siemens as too small to fit into its international activities, which are focused on telecommunications, transport and power generation.

Heinrich von Pierer, Siemens' chief execntive, has taken steps recently to sell smaller divisions to focus on what he has called the company's "core-competences". The decision to sell also follows e downturn in government defence spending and pressure for consolidation in the European defence industry.

Thomson-CSF has significantly expanded its European presence, acquiring companies with e combined turnover of FFr15bn ($2.46bn) since 1990. In June, it announced e joint venture teaming its air traffic management ectivities with those of Siemens.

Yesterdey's shortlisting comes at a time when the European defence industry is still ewaiting details of the new French Socialist-led government's plans for the company following the abandonment of the previous centre-right edministration's ettempts to privatise it.

Lower costs and exchange rates boost Renault results

By David Owen in Paris

Renault, the French carmaker, yesterday announced e strikingly improved first-half performance, with net profits climbing to FFr1.67bn ($276m), *up more than tenfold from the* FFr158m reported a year ago.

The improvement was partly due to special items such as a FFr419m capital gain and a FFr630m credit for current and deferred taxes. Nonetheless, the group's operating profit of FFr364m, against a FFr225m first-half 1996 operating loss, was above expectations.

"It is a tremendous turnaround," *said John Lawson, a* London-based analyst with Salomon Brothers. "There were positive surprises on both cars and trucks."

The company, which reported a severe 1996 loss of FFr5.2bn partly owing to provisions for the controversial closure of its Vilvoorde plant, attributed the faster-than-expected upturn to a number of factors.

These included lower costs, a better product mix and favourable exchange rates. The improvement came in spite of a slump in the group's domestic car market. This cut Renault's overall European market share from 9.8 per cent to 9.4 per cent and meant that the group sold fewer vehicles worldwide – 905,000 – than in the first six months of 1996.

Renault said, in what some regarded as a downbeat projection, that the 1997 results, exclnding capital gains from disposals, "should be positive".

The antomobile division trimmed operating losses from FFr911m to FFr162m, enabling the gronp to maintain its objective of returning the unit to breakeven for 1997.

This reflected the success of Renault's Mégane Scénic mul*ti-purpose vehicle, as well as* the new Safrane and Espace models. The company said it expected the FFr2.8bn provision for the Vilvoorde closure to be "globally sufficient to cover future costs".

Commercial vehicles recorded a first-half loss of FFr216m, against profits of FFr26m a year earlier, and a eecond-half 1996 loss of *FFr731m. This was blamed on* the situation in Europe, where the group was hit by a drop in billings and the effects of a price war, resulting in tighter margins.

Sale of stake upsets Peregrine

By Peter Montagnon and John Burton in Seoul

Peregrine Securities has run into fresh problems in its rapid expansion in Asia after Dongbang, its joint venture partner in South Korea, announced it had sold its share of Dongbang Peregrine Securities to a highly leveraged construction group.

Philip Tose, chairman of Hong Kong-based Peregrine, said yesterday that the announcement was unacceptable and that the transfer of ownership from Dongbang, a vegetable oil group, to Sungwon had no legal validity.

Dongbang Peregrine had been warned by lenders that credit would be withdrawn if the transfer were confirmed, he said. The upset – which Peregrine first heard ebout via a news wire, according to one senior official – reflected poorly on the climate for financial joint ventures in Korea.

Peregrine was widely criticised in the Korean media for helping Dongbang this year mount Korea's first hostile takeover bid – for the Midopa department chain. Press reports allege that Dongbang was unhappy with Peregrine after the bid failed.

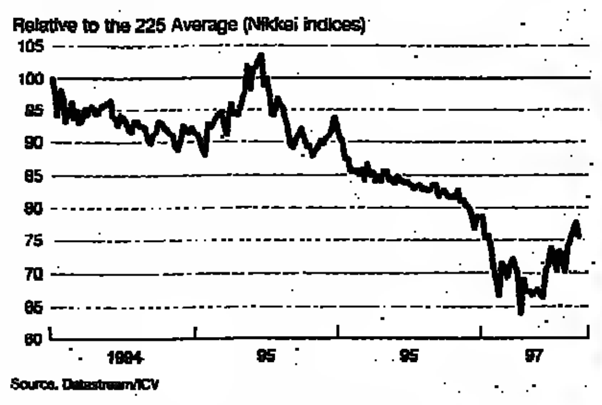
Mr Tose had no objection to a change in partner, and welcomed Dongbang's decision to sell, but said the group needed e strong partner in a market facing rapid liberalisation. The venture would need between $100m and $200m in fresh capital over the next three years, and any new partner must also be acceptable to the Korean Ministry of Finance.

He said Peregrine was holding discussions with possible new partners and had received e number of approaches, but would not give details. Although financial deregulation would enable foreign companies to have full ownership of securities operations in Korea within three years, the precise timetable was uncertain. Peregrine would still need a partner that would bring local expertise to the business, he said, since eventually it might have a stake of between 20 and 25 per cent.

He denied suggestions by Dongbang that Peregrine had unilaterally appointed directors to the joint venture board.

Japanese bank grasps bad-debt nettle

Japanese banking sector



Building up problems: Japan's construction sector has been at the heart of banks' difficulties

Yesterday marked a watershed in Japanese banking. When Tokyo-Mitsubishi announced provisions covering all its declared bad and oon-performing loans, it was the first time a Japanese bank had tried to close its books definitively on the problems associated with the collapse of tbe asset bubble of the late 1980s.

In effect, Tokyo-Mitsubishi was turning from the past and facing the future.

Until yesterday, oo Japanese bank seemed capable of speedily resolving the issue of bad debts, built up mostly by Japan's property and construction companies.

Tha problem is vast. Last month ING Barings estimated the top 20 banks had declared bad debts of Y19,326bn ($162.2bn), doubtful debts of Y20,336bn, but specific reserves of only Y8,077bn.

Those are the declared figures. The actual problem is bigger yet, since most banks have proved unwilling to reveal tha full horror.

Tokyo-Mitsubishi's move was undoubtedly bold. The market had been expecting write-offs, but nothing on this scale. The bank effectively for the first time revealed the full extent of its problems as well as a plan to tackle them.

Some doubts remain. Although the bank bas made provisions for all of its declared bad debts, more difficulties may yet appear. "It's always possible tbat additional bad debts could emerge," explained Masaru Kakutani. s director at Moody's, the credit-rating egency. "We are talking ebout Japan's property market after all."

However, the bank itself said it bad been aggressive in making the provisions. in doing so, it bad taken into eccount that the economy had not improved as quickly as expected and that interest rates were likely to rise in the near future.

The benefits of such hawkish provisioning are unquestioned, said Paul Heaton, senior analyst at Deutsche Morgan Grenfell in Japan. "There's nothing as unproductive as waiting to see how bad bad debts are going to get. By grasping the nettle, Tokyo-Mitsubishi can concentrate on moving forward and making money," he said.

The bank, founded in April last year from the merger of Mitsubishi Bank and Bank of Tokyo, certainly has ambitions. In Japan, it plans to remain a universal bank. Internationally, It is expanding rapidly in Asia, where it has benefited from its links with other members of the Mitsubishi *keiretsu*. A sign of its confidence is that, in spite of this year's losses, it plans to keep its dividend at Y8.5.

The question now is whether Tokyo-Mitsubishi's rivals can afford to follow its example. "Moat people believe it's Japan's highest quality bank," commented Nozomu Kunishige, banking analyst et Lehman Brothers in Japan. "If a bank with such a good client base, and e relatively good quality loan portfolio has to make sucb large provisions, it makes you wonder what the other banks will need to do."

Mr Heaton believes that among the stronger banks Sanwa, Sumitomo and Toyo Trust are likely to follow Tokyo-Mitsubishi's example. But some others may struggle to write off bad debts unless they raise further equity to prevent their capital edequacy ratios falling below international minimum levels.

"Over the next couple weeks we're going to have a sorting of the sheep from the goats, between those that can pnt the bad debts behind them, and those that will continue to struggle," says Mr Kakutani at Moody's.

For those unwilling to disclose the scale of their problems or unable to afford to make adequate provisions, time may be running out.

The government appears determined to push through financial reform. Next April, regulations will be introdnced forcing banks to assess bad debts more realistically and in greater detail, and make reserves for the newly discovered problem loans. While the stronger banks may prosper, their weaker rivals may find their very survival in doubt.

Paul Abrahams

Toyota to consolidate a restructured Teleway

By Michiyo Nakamoto in Tokyo

Toyota, the Japanese carmaker, is set to consolidate Telewey Japan, a long-distance telecoms company, as a subsidiary, after a planned increase in capital intended to wipe off the telecoms company's recurring losses of Y64.6bn ($542m).

Toyota is expected to increase its stake in Teleway from 38 per cent to more than 50 per cent by acquiring further shares through a capital increase that will almost double the company's capital of Y49.8bn. Teleway then plans a capital reductioo of about 70 to 80 per cent, to reduce Its capital to about Y20bn.

The carmaker is already the leading shareholder in IDC, an international carrier, and IDO, a mobile phone operator. Hiroshi Okuda, president of Toyota, has indicated the company Intends to increase its involvement in the telecoms sector.

Makio Inui, industry analyst at Salomon Brothers in Tokyo, said the move, which comes amid an industry consolidation, will raise Teleway's attractlveness to potential partners as the increasingly international nature of telecoms triggers global alliances.

So far, Japan Telecom, a long-distance company, and ITJ, an international carrier, have agreed to merge, while KDD, the largest international carrier, has formed an alliaoce with DDI, a long-distance company.

Teleway, one of three long-distance carriers in competition with NTT, the dominant domestic company, had accumulated losses over the years, as fierce competition in the long-distance market spurred rate reductions.

Last year, the company reported sales of Y111.9bn and pre-tax recurring profits of Y809m.

Teleway had originally opted for regional coverage in western Japan, a decision which left it lagging behind competitors in national coverage and unable to attract sufficient subscribers.

Teleway has, however, laid optical fibre nationwide and is now one of only three telecoms carriers with such a network. The other two are NTT and Japan Telecom. This makes Teleway a particularly attractive partner, Mr Inui says.

Abnormal loss increases deficit at Burns Philp

By Elizabeth Robinson in Sydney

Burns Philp, the Australian food group, reported that an A$175.5m abnormal loss dragged full-year profits further into the red at A$173.3m (US$126.2m), after a loss of A$61.8m the year before.

However, the group said its disposal programme was on track, with Alan McGregor, chairman, adding that: "Our core ongoing businesses have solid earnings, a strong market position and good prospects for long-term growth."

The abnormal loss inclndes A$76.6m related to legal costs and settlement of the collapse of Estate Mortgage Trusts in 1990, as well as rationallsation and deferred start-up costs.

Group sales slipped 1 per cent to A$2bn, but sales from continuing core businesses rose 7 per cent.

Burns Philp said it was selling its Australian and New Zealand consumer foods business, which have turnover of A$40m. This follows an announcement in May that its North American and European herbs and spices units were being put np for sale.

The proceeds will help rednce Burns Philp's debt, which at June 30 stood at A$1.08bn, giving a gearing of 180 per cent. Mr McGregor said Burns Philp would be profitable after the sale was finalised, which the company hopes will be in the next few weeks.

The restructured group will derive more than half its revenue this year from yeast, with the remainder coming from industrial foods and services, and from investments.

The company said the poor results were largely due to the performance of the units it was seeking to sell. It blamed weak trading conditions in North America and Europe and the stronger Australian dollar for the decline.

The businesses earmarked for disposal incurred a A$53.4m loss, compared with a profit of A$26.2m the year before.

It also said that Graham Hart, the New Zealand businessman who bought a 14.9 per cent stake in Burns Philp in June, would accept a seat on the board "in the near future".

Mr Hart later bought a further 3.5 per cent through Deutsche Morgan Grenfell.

ASIA-PACIFIC NEWS DIGEST

Suncorp-Metway to be sold off

The Queensland state government is to cut its 67 per cent stake in the Suncorp-Metway regional bank to around 45 per cent in a A$610m (US$444.2m) public offer. Shareholders, customers and residents in Queensland will be given preference with only about 20 per cent reserved for institutions. Offer documents will be distributed this weekend and the offer will close on October 3.

Some 100m notes will be issued with an annual interest rate of 8 per cent and after two years they will automatically be exchanged for Suncorp shares. The government expects a profit of A$130m from the sale which will pay for infrastructure projects. It aims to cut its stake in Suncorp, which made profits of A$150m last year, to about 15 per cent. Suncorp shares closed up 3 cents at A$7.15.

Elizabeth Robinson, Sydney

■ PAY-TV

Australis further in red

Australis, the pay-TV group which is seeking to merge with Foxtel, the joint venture between News Corp and Telstra, reported an annual loss of A$297.5m (US$216.6m) yesterday, after a deficit of A$251.7 the year before. Sales more than doubled, from A$52.2m to A$127.2m.

Australis said the number of new subscribers had picked up again, by a net 13,000 in the six months to June, after it revised its fees. The group expects bondholders to approve its merger by September 30 and shareholders to give the go-ahead by November. The Australian Competition and Consumer Commission has yet to rule on the deal.

Elizabeth Robinson

■ SOUTH KOREA

Dainong unit files for receivership

South Korea'e Dainong Group yesterday said one of its core units, Dainong Corp, planned to file an application for court receivership. The group'e creditor banks agreed last month to seek court receivership for the textile yarn maker by September 24.

The banks also agreed to rescue Midopa, *another unit of* the group, from the current financial troubles and seek third-party takeovers of Dainong Heavy Industry and Metro Products. The four core units of the group were selected in May for bank protection against an immediate debt default.

"Takeover negotiations are currently under way with companies affiliated with leading conglomerates, and we expect a fruitful result to come out soon," the group said, without naming the companies.

Reuters, Seoul

■ CONSTRUCTION

Charges hit Daikyo results

Restructuring charges will push Daikyo, a Japanese condominium builder, into full-year net losses of Y126bn ($1.1bn), compared with profits of Y540m a year earlier.

In a move to secure a sound financial standing, Daikyo said it will absorb additional losses worth Y130bn in the current fiscal year, boosting losses for the year to March 1998 to Y142bn. It will also help its non-bank affiliate, Nippon Home Finance, by injecting Y60bn to enable it to tackle bad debts. As a result of this assistance Daikyo will take a loss of Y60bn.

Another part of the overall loss will come from the disposal of unsold condominiums and undeveloped land holdings in the second half which the company held owing to the collapse of the "bubble economy" in the early 1990s. The group said it would suffer a loss of Y82bo as part of this process.

AP-DJ, Tokyo

German banks clear last hurdle

By Andrew Fisher in Frankfurt

The creation of Germany's second-largest bank was assured yesterday with confirmation that Bayerische Vereinsbank's share exchange offer for Bayerische Hypotheken- und Wechsel-Bank had succeeded.

Vereinsbank said it obtained the 40 per cent of Hypo-Bank shares needed to complete the first stage of the deal. It will now make a share issue to raise around DM2.5bn ($1.38bn) to restore its capital ratios, with auditors then evaluating the banks' assets and finances to decide how they will be combined into the new bank.

Albrecht Schmidt, chairman of Vereinsbank, said the successful exchange offer – with the bank offering one share in the Allianz insurance group for six in Hypo-Bank – was proof of the efficiency of the German capital market.

He and other bankers had warned failure to agree a deal between the Munich-based banks would have shown the market's inability to act as a catalyst of structural change in the corporate and banking scene.

Mr Schmidt said the new bank – to be called Bayerische Hypo- und Vereinsbank – would be efficient, innovative and have a clear profile for customers and shareholders.

Vereinsbank is using most of its 10 per cent etake in Allianz for the share exchange, worth some DM8bn and free of capital gains tax under a special legal ruling. Allianz said yesterday it had lifted its holding in Vereinsbank *from 4.3 per cent to 8.7* per cent to minimise dilution of its stake in the merged bank.

Allianz owns 22 per cent of Hypo-Bank, but has not taken part in the share exchange for legal reasons. Its holding in the merged bank will be between 15 per cent and 17 per cent as a result of its increased stake in Vereinsbank.

With the creation of the new Bavarian bank, Dresdner Bank – in which Allianz also owns 22 per cent – will be pushed into third place. Yesterday, Jürgen Sarrazin, Dresdner's chairman until he steps down in May, said Germany's banking landscape would look very different in five years.

"What has alresdy happened is just the beginning," be said.

Approval for Coke deal with Carlsberg

By Emma Tucker in Brussels

A controversial bottling *merger between Coca-Cola* and Carlsberg, the Danish brewer, has been cleared on condition that Carlsberg sell its interests in two other Danish drinks companies.

The divestments were demanded by the European Union's competition authorities, who said they were essential for maintaining competition in the Danish and Swedish soft drinks *markets*.

Carlsberg will have to sell all its shares in Jyske Bryg Holding, which has directly and indirectly 62 per cent of the shares and 49 per cent of the votes in Bryggerigruppen, the current bottler of PepsiCo brands and the second-largest producer of carbonated soft drinks in Denmark.

The brewer will also have to give up its shares in *Dansk Coladrik, which* produces Jolly Cola, the third largest cola brand in Denmark.

The Commission said yes*terday that the sale of Carls*berg's shares in Jyske Bryg would allow Bryggerigruppen to become an independent second force in the Danish market by breaking the link between Denmark's two biggest soft drinks producers.

The joint venture – to be known as Coca-Cola Nordic Beverages, will be jointly controlled by Coca-Cola and Carlsberg and will have interests in national bottlers which will produce, distribute and sell mostly Coca-Cola brands. It will also acquire Carlsberg's own soft drinks bottle subsidiary Dadeko in Denmark and Coca-Cola's bottling entity in Sweden.

Coca-Cola Nordic Beverages plans to expand its activities to other Nordic countries as well as to St Petersburg and the Baltic countries in the future.

The clearance was yesterday welcomed by Carlsberg.

Axa says Royal Belge 'not for sale'

By Neil Buckley in Brussels

Royale Belge, Belgium's second-biggest insurer, will remain under control of France's Axa-UAP and is "not for sale", the company said yesterday, dispelling some of the uncertainty that has surrounded it for months.

The Belgian insurer added it was not interested in a merger with Banque Bruxelles Lambert, Belgium's third-largest bank, in *spite of* comments from BBL'a chief executive last week that he supported a tie-up.

Royale Belge's future has been in *question since its co*-parent, UAP, merged with Axa last spring, with speculation that it might be sold, or merged with the latter's subsidiary, Axa Belgium.

But Claude Bébéar, Axa chairman, assured his first Royale Belge board meeting yesterday that he wanted to keep the Belgian insurer within the group – although a merger with Axa Belgium, Belgium's sixth-biggeet insurer, was not excluded.

The news came as Royale Belge announced an increase in first-half net profits from BFr5.07bn to BFr5.79bn *($155.6m)*, towards *the top of* expectations.

Royale Belge is 51.2 per cent owned by a company which is a 75/25 joint ven*ture between Axa-UAP and* Groupe Bruxelles Lambert, the group controlled by the financier Albert Frère. Axa-UAP owns a further 9.5 per cent directly.

Claude Bébéar: wants to keep Royale Belge within group

Reporting the results of the board meeting, Jean-Pierre Gérard, Royale Belge managing director, said Axa would now examine opportunities for its two Belgian businesses.

"It is clear that Axa is present with two arms in Belgium," Mr Gérard said. "It is at the level of Axa that *decisions about the future* will take place. Nothing is excluded."

Mr Gérard added a tie-up with BBL did not figure in the group's plans.

While Royale Belge might not be a direct player, be did expect some "restructuring and reshuffling of the cards in Belgium's financial sector – comments which may fuel market speculation over coming bank consolidation.

Tbe *insurer's profits* increase reflected a strong performance in Belgium. Profits in the Netherlands were flat.

Total premium income rose 1.3 per cent to BFr60.1bn, with Belgian income up 4.3 per cent.

Tarkett go-ahead

By Graham Bowley in Frankfurt

Tarkett, the German floor covering company, said yesterday that the Berlin cartel office had given approval for its merger with France's Sommer-Allibert.

The decision appears to remove the final hurdle to the proposed merger, which has been dogged by controversy since Armstrong World Industries, the US manufacturer, tried to block the deal, dragging Tarkett and Sommer-Allibert into a war of words.

"With this, the deal can go ahead as planned. Armstrong cannot stop it," said Rudi Weibel, a Tarkett board member. He expected the transaction to be closed by the end of this year.

The merger – announced in May – involves Tarkett buying the Sommer flooring business for *DM705m* ($391m). In return, Sommer Allibert agreed to buy 60 per cent of Tarkett for DM658.3m.

The combination of the two biggest suppliers of wood and vinyl flooring surfaces in Europe would create an important rival for Armstrong, the world market leader.

Armstrong tried to block the deal by, making a hostile bid for Domco, the Canadian flooring division of Sommer Allibert. It also alleged that Sommer Allibert had broken agreements linked to earlier talks to buy Sommer's flooring division, including Domco.

The merger will create a business with annual sales of about DM2.6bn.

BNP advances 75%

By Bertrand Benoit in Paris

Progress in international activities and a write-back on provisions helped BNP, the French bank, push first-half net income up by a higher-than-expected 75 per cent, to FFr3bn ($500m).

Michel Pébereau, chairman, said: "Results are well ahead of what we had planned after our privatisation in 1993. Favourable factors such as foreign exchange movements, good stock market conditions, and the relaxation of sovereign risks spurred our first-half growth."

A FFr1.3bn capital gain on asset disposals helped offset exceptional provisions to cover an increase in corporate tax. There was also a write-back on provisions to cover interest on a sovereign loan to Peru.

Banking revenue grew 27 per cent to *FFr8.8bn*, excluding foreign exchange gains, while gross operating income was up 49 per cent at FFr3.6bn. Operating costs increased 15.5 per cent to FFr5.2bn, reflecting a string of investments and the effect of inflation and exchange rates.

Domestic operations, however, edged ahead to FFr12bn, in line with analysts' forecasts. Although costs in this segment were down slightly to FFr14.8bn, BNP suffered from chronically low margins and a depressed economic environment, which pushed down credit demand. Mr Pébereau said the bank had made a FFr700m provision for a cut in its workforce, in a programme being discussed with the unions.

EUROPEAN NEWS DIGEST

CCF lifts net income 27%

Signs of economic recovery in France helped push up net income at CCF, the Paris-based banking group, by 27 per cent to FFr870m ($145m) for the first half of the year. Rising demand for consumer loans and mortgages, a more modest increase in lending to companies, and a jump in *earnings from commissions helped boost its network* of domestic banking branches.

Provisions against lending fell from FFr260m to FFr282m, which was offset by a boost in exceptional provisions, from FFr114m to FFr234m. Banking income rose 16 per cent to FFr5.6bn and charges by 6 per cent to FFr3.5bn. CCF said it had allocated an overall FFr300m in provisions – including FFr200m in the first-half results – to prepare for the creation of the single European currency and the computer problems posed by 2000. There was a further FFr80m as a result of the new government's increase in corporation tax to 41.6 per cent, of which half was paid out of treasury funds and half from deferred taxes. The group said it was likely to begin to develop the sale of non-life insurance contracts to complement its activity in life assurance. *Andrew Jack, Paris*

■ BANKING

Paribas denies stake building

Paribas, the French banking group which on Wednesday reported first-half net income up 5 per cent at FFr4.2bn ($700m), said it had no plans to increase its controlling stake in Compagnie Bancaire, the specialist financial institution. André Lévy-Lang, Paribas chairman, who raised the group's stake in Compagnie Bancaire above 50 per cent in May, said he had no intention of increasing it further, even though it represents a core interest – specialist financial services – and contributed FFr238m in the first half.

He said the volume of activity generated by Paribas Affaires Industrielles, its investment portfolio, which contributed FFr1.8bn, would diminish in future years. However, this would mean a higher turnover of its investments would help sustain annual capital gains of about FFr2bn a year. Paribas' investment bank reported a decline for the first half, from FFr2.9bn to FFr2.6bn, offset by a profit in the holding structure of FFr492m, against a loss of FFr97m.

This time's figures included FFr506m from capital gains on the sale *of the insurance business of Navigation Mixte*, the conglomerate it acquired in 1996. There were also capital gains of FFr853m, compared with FFr1.1bn, for the *sale earlier this year to Société Générale of its* retail banking operation Crédit du Nord. *Andrew Jack*

■ DEFENCE INDUSTRY

Rheinmetall sees DM100m profit

Rheinmetall, the German defence and engineering company, yesterday predicted net profits would more than double this year to DM100m ($55.5m) following a series of recent acquisitions. It also announced a 72 per cent increase in turnover in the first half of the year to DM2.66bn. Rheinmetall last year teamed with British Aerospace and Badenwerk, the south-west German utility, to acquire STN Atlas, the sonar and torpedo manufacturer. This summer, the company increased its stake in Kolbenschmidt, the motor components manufacturer, from 25 per cent to 53.5 per cent. *Ralph Atkins, Bonn*

JCI to split gold unit from base metals

By Mark Ashurst in Johannesburg

JCI, South Africa's first black-controlled mining house, will separate its core gold business from its base metals interests early next year in a move which could revive chances of a merger with Lonrho, the UK conglomerate.

The demerger was announced yesterday, less than a week after a visit to Johannesburg by Nick Morell, Lonrho chief executive, and just two days after Duiker, Lonrho's South African coal subsidiary, sgreed in principle to buy Tavistock, JCI's unlisted coal subsidiary.

The demerger could lead to a merger between the new gold company and the mining interests of Lonrho, following the breakdown of previous merger talks between the two in June.

Proceeds from the R1.7bn ($361.7m) sale of Tavistock will fund the purchase of a 27.6 per cent stake in Lonrho, which JCI is due to acquire from Anglo American at the end of the.

Mzi Khumalo, chairman, yesterday countered analysts' criticism of the Tavistock disposal, which will dilute JCI's earnings from its most profitable business, by insisting JCI would be involved with Lonrho for the long term. "Maybe at some time we will end up having merged witb Lonrho. You never know wbat the future holds," he said.

Further details of the demerger would be finalised by November. These could include a foreign listing for the new gold company "in London, New York, or wherever". In the meantime, JCI planned to expand its gold division through acquisitions.

Brett Kebble, recently appointed chairman of JCI's gold division, is expected to fly to Australia this week to assess possible acquisitions. He said the demerger would include some consolidation of JCI's gold assets, and could result in a single listing for HJ Joel and Western Areas mines.

"Clearly, if you analyse the gold assets, we've got two [that are] high quality, and low cost," said Mr Kebble. There was "no way" these assets would be merged with JCI's third gold mine, Randfontein Estates, which was "marginal". JCI's base metals interests, which are dominated by chrome and new prospects for iron ore, would remain in JCI's current listing.

The restructuring will make JCI the fourth big South African mining group to abandon the diversified structure of the traditional mining finance houses which built the country's mining industry.

Mr Khumalo, who bought JCI in November from Anglo American, the world's biggest gold producer, said the new structure would eliminate the discount to net asset value in the group's share price. The demerger would simplify the group structure and merit a re-rating of the South African gold operations.

Disposals, and a slump in bullion prices, reduced JCI's net asset value by 20 per cent to R36.50 per share at Juna 30. Total income for the year fell from R532m to R471m. Earnings per share fell to R2.07, and the dividend was 10 per cent lower at 70 cents per share. The discount to NAV in the market price of JCI shares fell 2 per cent to 4 per cent at the end of the period.

French group fails to find US distributor for controversial film

Pathé hit by write-off in cinema unit

By Andrew Jack in Paris

Pathé, tbe French media group, bas been forced to make a FFr80m ($13.2m) write-off in its cinema division after failing to find a US distributor for its film of the controversial novel *Lolita*.

The film, based on the novel by Vladamir Nabokov, describes the obsessive relationship between a man and a young girl. It has proved highly sensitive at a time of pnblic concern over child sexual abuse in North America and, increasingly, Europe.

Jérôme Seydoux, chairman of Pathé, said yesterday: "This film has given us a lot of problems. We would not have started on the project if we had known theo what we know now."

He said the film had received a positive reactioo wben it was screened for American distributors in Hollywood, but no one made an offer in view of the sensitivity of the subject.

Lolita has already caused problems for Patbé, wbicb was forced to take a FFr250m write-off in 1995 after it ran over budget. Unlike a number of the company's other films – such as *The Woodlanders*, co-produced with Channel Four in the UK – it was entirely responsible for the production.

It is dne to go on general release in the coming weeks in Europe, starting with Italy at the end of this month. Mr Seydoux said that even if Lolita did finally find a US distributor, it still could incur further losses depending on the nature of the contract finally agreed.

In a pioneering and more positive move, Mr Seydoux said that Pathé was considering re-making one of its more successful recent French films in English. Didier, a comedy about a man wbo turns into a dog, has been seen by nearly 3m cinema-goers.

The aim is to launcb a counter-attack before a US producer seizes on the project.

Until oow, many successful French films – such as *Three Men and a Baby* – have been re-made in Englisb by US companies, leaving the original producer witb little to show.

Provisions against *Lolita* and several otber films wblch bave yet to be released totalled FFr120m during the first half of 1997, dragging Pathé's production and distribution division into a loss before tax and depreciation of FFr162m for the period, against a profit of FFr49m last time.

Pathé's consolidated accounts showed a net profit of FFr153m, up from FFr132m last time. Earnings before tax and depreciation were FFr227m compared with FFr186m for its television activities, inclnding a stake in BSkyB; FFr67m against FFr42m for its cinemas; and FFr15m for Libération, the left-wing daily newspaper in which it has a controlling stake.

Sensitive: a scene from Lolita, which has coincided with rising concern over child abuse

Canal Satellite disappoints

Canal Satellite, one of France's two leading satellite services, made losses above expectations during the first half of 1997, paving the way for a recapitalisation with help from Time Warner of the US, writes Andrew Jack.

Results at Pathé revealed that Canal Satellite, in which it has a 20 per cent stake, had losses ahead of interest, tax and depreciation of FFr186m for the six months to June 30, compared with FFr87m in the same period of the previous year.

The service was launched in April 1996.

Jérôme Seydoux, Pathé chairman, said yesterday that a recapitalisation of the company with Time Warner – which eome analysts expect to be for about 10 per cent of the total equity – was "in the pipeline".

He also confirmed that Générale des Eaux, which owns 10 per cent, would sell its stake to the existing investors – Canal Plus, with 70 per cent, and Pathé – to ensure they could maintain their existing holdings.

Mr Seydoux said losses at Canal Satellite were the result of higher marketing and promotion eosts for the service, which had been forced to compete aggressively by the launch of the rival TPS service at the end of last year.

Rising copper and zinc prices lift Minorco

By Kenneth Gooding, Mining Correspondent

Higher copper and zinc prices belped Minorco, the Luxembourg-based subsidiary of the Anglo American-De Beers group of South Africa, record half-year profits slightly higher tban expected. Net earnings before exceptional items, whicb the group says provide the best reflection of its underlying performance, rose 7 per cent to $214m.

"The operating performance across the Minorco group was very satisfactory, witb costs tigbtly controlled," said Hank Slack, chief executive. "The overall position of the world economy remains positive. It provides a reasonably positive background for industrial commodity prices in the medium term."

The dividend is being lifted 1 cent to 22 cents.

Mr Slack said the short-term outlook for zinc was bright but copper prices might experience volatility. "Reasonably favourable" conditions In Minorco's important UK industrial minerals business and in Terra's agribusiness should continue.

He said Minorco sbould continue to benefit from cost efficiencies achieved in some of its operations in the past year. He said in the medium term, projects that will underpin foture growth – the Collahausi copper project (44 per cent owned) in Chile and tbe Cerro Vanguardia gold project (46 per cent owned) in Argentina – had made satisfactory progress.

Minorco's sales in the half year increased from $2.77bn to $3.1bn and operating earnings jumped 19 per cent from $342m to $408m.

Earnings before tax, exceptional Items and minority interests increased from $362m to $410m and net earnings were down from $317m to $214m. Net earnings per share fell from $1.41 to 95 cents.

Compared with the strong rise in operating earnings, investment income decreased from $58m to $49m. Earnings from other operations included $210.6m (against $208m) from the agribusiness; $60.8m ($58.1m) from industrial minerals; $44.2m ($36.6m) from paper and packaging; and $19.3m ($19.8m) from gold.

Operating cash flow increased from $443m to $517m, while capital expenditure rose from $281m to $386m.

EUROPEAN NEWS DIGEST

No merger for Kredietbank

Kredietbank, Belgium's second-biggest, said yesterday it saw no reason to rush into an alliance, as it announced a 10.8 per cent increase in first-half net profits from BFr6.68bn to BFr7.41bn ($199m). The bank is known to have held talks with fellow Belgian bank Cera Bank, and Rabobank of tha Netherlands, prompting market speculation over an eventual three-way link-up.

But Mr Marcel Cockaerts, chief executive, said much of the current merger speculation in the Belgian banking sector was being fuelled by the media and government. Ministers have said they would like to see a "Big Belgian Bank" of sufficient size to compete Europe-wide with the arrival of the single European currency. Mr Cockaerts said Kredietbank was already big enough, and had taken a series of initiatives to prepare for the future, including expanding into central Europe with a stake in Hungary's largest bank, opening offices in Asia, and developing its savings banks and broking businesses.

Gross income increased 10.5 per cent to BFr44.34bn, with net interest income down 1.3 per cent to BFr27.2bn, but other income rose 36.3 per cent to BFr17.1bn thanks to a big increase in profits on financial transactions, and in commission. Operating costs increased 10.8 per cent, due to the costs of an early retirement plan, as well as an increase in overseas staffing and automation costs. Depreciation, writedowns and provisions increased 26.7 per cent to BFr9.97bn, with depreciation up sharply due to installation of new computer systems. *Neil Buckley, Brussels*

■ PHARMACEUTICALS

Pliva ahead 33% midway

Pliva, the Croatian pharmaceuticals group, yesterday reported a 33 per cent jump in net profits for the six months to the end of June, setting the stage for another tranche of its shares to be issued to international investors later this year. Pliva said net profit reached Kuna378m ($63m) on sales up 14 per cent at Kuna1.4bn, boosted by the introduction of a cost-cutting programme and the strength of the dollar, which resulted in a foreign exchange gain of some $10.6m.

Pre-tax profits rose 55 per cent to Kuna570m, and earnings per share rose 34 per cent to Kuna18.81. The government yesterday confirmed that another tranche of Pliva shares would be sold by the end of the year. Daiwa Europe has been appointed global co-ordinator for the issue. *Vincent Boland*

■ CASINO

Shareholders reject Promodès

The trustees of the employee investment fund in Casino, the French retailer, yesterday unanimously rejected the hostile FFr28bn ($4.6bn) takeover bid launched by rival Promodès. The board, meeting in St-Etienne, Casino's home town in central France, said it was confident of Casino's ability to develop without the need for a merger, and its view had been reinforced by profit forecasts.

This follows criticism of Promodès offer by Casino's board, the founding Guichard family and the board of Rallye, which has the largest stake in Casino and is also targeted by the bid. Employees hold 1.4 per cent of the capital of Casino and 1.8 per cent of the voting rights. *Andrew Jack, Paris*

■ CIMPOR-CIMENTOS

Cement group posts Es9.44bn

Cimpor-Cimentos de Portugal, Portugal's biggest cement group, yesterday posted a consolidated net profit of Es9.44bn ($51.6m) in the first half of 1997 and said sales grew by 34.1 per cent during the period. Profit in the first half of 1996 was Es11.55bn. Direct comparisons with last year are difficult because of the heavy capital gains in 1996 with the sale of the group's holding in Banco de Fomento & Exterior.

Cimpor said its sales in the first half rose to Es77.55bn from Es57.845bn in the same year-ago period, partly due to a strong increase in sales of cement in Portugal. It said sales had benefited from the contribution of new operations in Morocco and Brazil, as well as satisfactory growth in Spain and Mozambique. Cimpor said net assets rose to Es297bn on June 30 1997, from Es178.8bn a year earlier. Total net debt was Es28.6bn at end-June 1997, compared with Es9.3bn in the same year-ago period. *Reuters, Lisbon*

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Price for Trading on 12.09.97: Pool purchase price £/MWh	Final Prices for Trading on 10.09.97: Pool purchase price £/MWh	Pool selling price £/MWh	TS use of system price £/MWh
0030	15.21	12.04	12.28	1.14
0100	15.21	12.04	12.28	1.14
0130	15.21	12.04	12.28	1.14
0200	15.21	12.04	12.28	1.14
0230	15.21	12.04	12.28	1.14
0300	15.21	11.86	12.10	1.14
0330	15.21	11.86	12.10	1.14
0400	10.25	10.30	10.30	0.00
0430	10.25	10.30	10.30	0.00
0500	15.21	10.28	10.28	0.00
0530	10.25	10.30	10.30	0.00
0600	10.25	11.96	12.20	1.14
0630	11.04	11.96	12.20	1.14
0700	15.47	15.46	15.70	1.14
0730	15.47	15.63	15.86	1.14
0800	23.20	16.15	16.39	1.14
0830	23.72	15.97	16.21	1.14
0900	23.73	16.24	16.50	1.14
0930	26.21	17.24	17.50	1.14
1000	43.14	17.88	18.15	1.14
1030	43.15	19.45	19.72	1.14
1100	28.22	22.41	22.69	1.14
1130	30.37	26.68	26.96	1.14
1200	30.37	26.68	26.97	1.14
1230	26.20	24.79	25.07	1.14
1300	26.18	19.42	19.68	1.14
1330	23.72	17.22	17.47	1.14
1400	23.20	16.65	16.89	1.14
1430	23.20	16.64	16.88	1.14
1500	23.19	16.64	16.88	1.14
1530	22.45	16.63	16.87	1.14
1600	23.19	16.22	16.46	1.14
1630	24.12	22.28	22.52	1.14
1700	26.53	25.22	25.46	1.14
1730	26.53	27.57	27.81	1.14
1800	26.52	27.57	27.81	1.14
1830	26.52	22.28	22.52	1.14
1900	24.12	16.21	16.45	1.14
1930	15.93	15.21	16.45	1.14
2000	16.93	10.38	10.38	0.00
2030	38.34	10.35	10.36	0.00
2100	38.34	18.51	18.75	1.14
2130	15.93	21.83	22.07	1.14
2200	15.63	21.83	22.07	1.14
2230	22.13	18.51	18.75	1.14
2300	15.04	18.51	18.76	1.14
2330	15.37	15.47	16.70	1.14
2400	14.89	18.51	18.75	1.14

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. [illegible]

Flow of cash into equity funds halves

By John Authers in New York

Last month's declining equity markets, which saw the S&P 500 index log its worst monthly performance in seven years, provoked a sharp slow-down in the flow of cash into equity mutual funds. Preliminary estimates from the Investment Company Institute published yesterday show August cash flows at half their level of the previous month.

This continues the trend of the past two years for a dip in a leading market index to be followed by a fall in new investment.

However, there is still no evidence to support the widespread fears that a fall in stock prices would be followed by a heavy outflow of cash. Total inflows to equity funds were $13.5bn, compared with $26.6bn in July. This remains slightly higher than inflows during March, when the market also declined, and in December last year, when there was turbulence in the equity markets after Alan Greenspan, chairman of the Federal Reserve Board, warned of "irrational exuberance". It is more than double the inflows recorded last July, when the stock market dropped almost 10 per cent.

There was also a startling resurgence in inflows to bond funds, which had their strongest month since the "bear market" in bonds started in early 1994. Total inflows were $6.5bn, well ahead of July's $4.21bn. For the past three years, inflows to bond funds have been on a diffarent scale from those recorded by equity funds, and the funds have regularly suffered net ontflows of cash.

Technical factors appeared to account for part of the rise, with heavy conversions of assets held by bank trusts into bond and income mutual funds. Witbout these transfers, the inflow of cash was no greater than in July.

However, bond funds have been so widely overlooked since 1994, when they took in $11bn in Jannary, but then suffered net outflows for the rest of the year as tbe Fed raised interest rates, that the figures will still bolster confidence among fund managers.

As recently as 1992, bond funds attracted more new cash than equity funds, and several companies whicb specialised in bonds bave seen their market share decline rapidly in recent years.

Large fund groups and brokers have been recommending smaller investors move funds into bonds over the last few months, as the sharp appreciation of share prices has left too great a proportion of their savings in the equity market.

CME issues co-operation plan

By Nikki Tait in Chicago

The Chicago Mercantile Exchange, the second-largest US futures exchange, yesterday stepped up the tempo for more co-operation with the Chicago Board of Trade, its larger rival, as it put out a blueprint of how it believes the two operations could pool their clearing activities.

The CME said the plan had been approved by its own board of directors on Wednesday and subsequently submitted to both the Futures Industry Association and the CBOT. Executives at the CBOT were briefed on the proposals on Wednesday evening.

There was no detailed response from fha CBOT. However, the exchange – the world'a largest futures market – said it was "reviewing" the proposal.

The CME scheme would see the two exchanges create a new independent entity to handle all their clearing activity. This would also guarantee the financial performance of contracts executed on both exchanges.

The new entity would use the CME's "Clearing 21" software, which was developed by the smaller exchange in partnership with the New York Mercantile Exchange. NYMEX and any other interested exchanges would be invited to participate in the new venture.

Jack Sandner, CME chairman, said be had discussed the proposal with NYMEX. The two partners would seek to recoup their expenditure on developing the software, but would be open to discussion on whether this was through a licence agreement, for example.

Shares in tha new entity would ba distributed to clearing members in proportion to the amount of capital they contribnted to the new venture, and there would be one vote for each share beld. The exchanges, meanwhile, would get a different class of share and have the protection of either veto rights or super-majority requirements on key issues.

The new unit would be a "business corporation", with directors elected by its shareholders, but inclnding representation from tha exchanges.

Both the CME and the CBOT concede they are under pressure to cut costs for members as competition from both over-the-counter trading and overseas exchanges intensifies. Common clearing would be advantageous because members – who often trade on both exchanges – would be able to pool margin requirements.

Futures trading at CBOT may benefit from common clearing

Hughes wins $1bn order in Abu Dhabi

By Christopher Parkes in Los Angeles

Hughes Space and Communications international yesterday signed a $1bn contract to provide a satellite system for Thuraya Satellite of Abn Dhabi whicb bas ambitions to sell mobile telecommunications services in 49 countries across the Middle East and parts of Asia.

The General Motors subsidiary, which is the world's leading satellite manufacturer, is expected to launch the first of up to three vehicles in mid-2000. It will be stationed over the Indian Ocean and have capacity for 1.75m subscribers.

The second would be beld in reserve until the volume of business justified its deployment, and a third would be ordered wben needed.

Thuraya, 26 per cent owned by Emirates Telecommunications Corporation (Etisalat), tbe United Arab Emirates telecoms monopoly, also has private and public sector shareholders in Germany, Turkey and other Arab nations.

Initial coverage will include india, Pakistan, Iran, Turkey, the Middle East and North Africa. The company said recently it might extend coverage to South Korea, Singapore, Thailand and indonesia if local investors chose to join the project.

The contract price is $100m above Etisalat's recent estimates, publisbed wben the company announced that it had chosen Hughes as the preferred bidder for the deal after considering competing offers from Lockheed Martin and France's Aerospatiale.

Thuraya already has indirect links with Hugbes, through a recent deal under which Etisalat will operate one of a network of 12 satellite access nodes planned by ICO Communications, a private group involving almost 50 international telecoms and technology companies, including Etisalat.

Hughes Network Systems is one of three partners contracted to build the nodes.

AMERICAS NEWS DIGEST

Santander to sell First Union stake

Banco Santander, the leading Spanish banking group, yesterday announced plans to sell all its remaining shareholding of almost 8 per cent in First Union of the US, worth about $2bn at recent market prices. Its stake in the sixth-ranking US bank was previously considered a strategic investment in Santander's attempt to raise its international profile. But it said that its priorities had changed and that it wanted to use the capital gains from the sale to strengthen its provisions and capital ratios following its ambitious $3bn acquisition drive in Latin America.

The divestment is to be made through a public offering of its 44.7m shares, to be sold jointly with 7.5m new shares which First Union is issuing in connection with its recent takeover of Signet Banking of Virginia.

The offering needs first to be cleared by the US Securities and Exchange Commission. Santander said a roadshow to promote the sale would be organised once approval had been obtained. It expected it would take about a week to fix the offer price. *David White, Madrid*

■ COMPUTER INDUSTRY

Plea to Sun over control of Java

*Intel, Microsoft, Digital Equipment and Compaq Com*puter asked Sun Microsystems yesterday to cede control of the Java computer programming language to an international standard-setting organisation. In an open letter to Sun executives, the four companies said they were concerned that Sun had too much control over a language that is quickly becoming one of the foundations of the internet.

"We think Java is important for industry and our customers," said Tom Waldrop of Intel. "To us it's important for the development of the internet that Java remain an open standard." The companies said Sun, the inventor of Java, should turn over ownership of the language to the International Standards Organisation, an international forum that regulates technical standards and measures.

The companies also said the Java name should be free to all interested parties. Java is a computer language with which programmers write software.

The allure of software written in Java is that a single version of a program can run on many types of computers without the programmer having to modify it for different systems. *Reuters, Palo Alto*

■ USA NETWORKS DISPUTE

Viacom, Seagram resume talks

Entertainment groups Viacom and Seagram said they had resumed negotiations aimed at settling their legal dispute over USA Networks, their cable television partnership.

Viacom, which owns Paramount Pictures, MTV and Nickelodeon, and Seagram, which owns Universal Studios, have been fighting for control of USA Networks, with each sida accusing the other of violating the terms of their partnership agreement.

News that the talks had resumed came as a Delaware judge was preparing to rule on the dispute, a move that many experts said would probably leave both sides unhappy.

Officials with the two companies declined to comment on the specifics of the talks. *Reuters, New York*

Corning shares slide on profits warning

By Richard Waters in New York

A recent worldwide jump in the manufacturing capacity for optical fibre and an expected moderation in demand for the material in 1998 led Corning, the US glassmaker, to warn the stock market yesterday about its likely financial performance this year and next.

Shares in the company, which is the world's largest manufacturer of optical fibre, plunged by nearly 12 per cent during the morning as it issued its revised view of a market whose rapid growth had been behind a burst of stock market enthusiasm for the company in recent months.

Corning claims to have gained market share following a sharp increase in demand for optical fibre from telecommunications and cable television companies that began early last year.

However, new manufacturing capacity developed recently by rivals including Lucent Technologies and Alcatel Alsthom – as well as a 60 per cent increase in Corning's own fibre optic capacity this year – has led to a quick shift in the balance of supply and demand.

Roger Ackerman, chairman, said that sales by Corning's optical fibre and cable businesses "should exceed 20 per cent in the third quarter," with sales growth accelerating in the final four months of the year. He added, though, that the company had been been "anticipating a continuation of the 30 per cent plus growth rate of the first half."

Corning lowered its forecast for this year's earnings by between 10-15 cents a share. The stock market had been expecting earnings of around 56 cents a share in the current quarter and 54 cents a share in the final three months, putting the total for the year at as much as $2.05.

The company did not give any specific guidance about earnings next year. However, a spokesman said that it has lowered its expectations for the growth in demand for optical fibre in 1998, and now expected the market as a whole to grow by 20 per cent, less than the 25 per cent it had earlier believed likely and slightly below its forecast for this year.

Among the biggest factors in this changed outlook was a slowdown in capital spending by the US local telephone companies due to delays in the opening up of the country's telecoms markets, tha spokesman added.

By early afternoon in New York, Corning's stock was trading at $41⅞, down $5¼ from the previous day's close. That continued the slide evident since early August, when the price briefly touched $65. It brings Corning's shares back close to the $35 at which they started the year.

Barrick shifts focus on financial strength

Faced with gold prices near their 12-year low, North America's biggest producer is to retrench

Barrick Gold's response to a gold price that is lurking near its 12-year low seems typical. The biggest gold producer in North America announced on Tuesday that it would close four mines, write off its interest in a fifth and cut exploration spending.

Barrick is following other North American companies, including Echo Bay, Pegasus and Royal Oak, which also have announced they are to close high cost mines, shelve planned projects or lay-off employees.

But only a year ago, Peter Munk, Barrick chairman, was saying that, having built the group into the biggest gold prodocer outside Sooth Africa, he intended to double output in the next 10 years and become the biggest and lowest cost producer in the world.

What has happened to this objective?

"Only dumb people stick to targets when market conditions change," says Mr Munk. "We're now concentrating on financial strength rather than production targets. My job is to make sure Barrick is financially the strongest player in the industry, no matter what happens to the gold price.

"We are not in the gold business because we are in love with gold. We are in the gold business to make money for our shareholders."

That said, he makes it clear that it is only the focus that has shifted. He says Barrick will be increasing output at a greater rate than expected in the next two years.

Output is expected to rise to 3.5m ounces from 3.1m ounces. More important, as far as Mr Munk is concerned, cash operating costs are forecast to fall from $190 an ounce to $150 by 1999.

Does this mean Barrick expects the gold price to remain at present levels or lower for some time? Mr Munk says the company's hedging programme guarantees it prices of more than $400 an ounce for all its output over the next two years. However, the company is lowering costs because "gold prices may linger where they are for a while".

Mr Munk suggests that Barrick still could meet its target of doubling production in 10 years but much depends on the Pascua project in Chile.

Previously Pascua was scheduled to produce 400,000 ounces a year after starting up in 2001. Barrick said on Tuesday that it was now contemplating annual output of 300,000 ounces and forecasting that cash costs would be $200 an ounce instead of $220.

At present the estimated cost of building Pascua has risen from $500m to $825m.

"We are focusing on cash flow, earnings per share and building financial strength so our acquisitions criteria will reflect this," says Mr Munk. "But we look at every available opportunity."

The group's exploration efforts will also becoma more focused and the budget is likely to fall from the annual $100m to about $65m.

It will concentrate on its mining properties in North and South America. Barrick has exploration rights to about 1m acres of land on four of the most productive gold "belts" in the Americas: Carlin Trend in Nevada; El Indio belt in Chile; the Pierina Trend in Peru; and the Cadillac Break in Canada.

The two-year plan announced on Tuesday aims to increase output at Barrick's low cost properties and to phase out higher cost mines. Those to be closed are El Indio and Tambo in Chile and Bullfrog and Mercur in the US. Barrick is also writing off its Pinson investment in the US, operated by its partner, Homestake, but there has been no decision to close this mine.

All this will involve a non-cash, after tax charge of $385m and, analysts suggest, will probably see Barrick report a loss for 1997.

Employment at El Indio has already been reduced by about 250 people and another 1,500 jobs will go by the end of 1998. Tambo's closure at the end of the following year will mean that nearly 2,000 jobs in Chile will go as a result of the Barrick review.

As for planned increases in output over the next two years, annual production at Pierina in Peru, scheduled to start in 1998, is now to be 750,000 ouncea against 500,000. The cash cost will be only $50 an ounce, among the lowest in the industry.

Annual output at the racantly opened Meikle mine in Nevada is to increase from 350,000 to 650,000 ounces in 1998 and

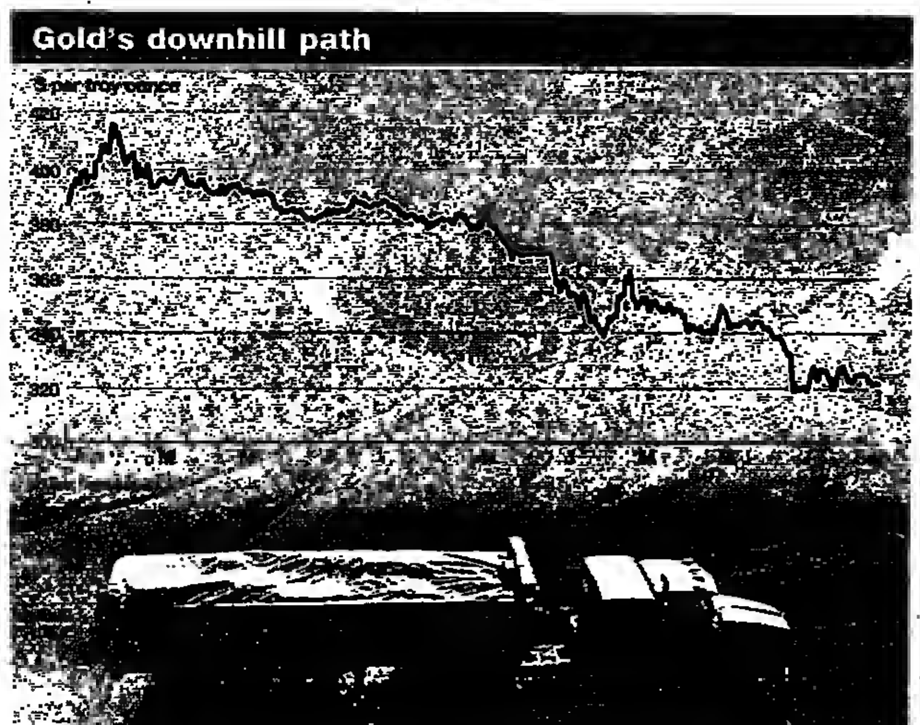
there is also to be a $330m investment in a new ore roaster at the group's "flagship" mine, Goldstrike in Nevada. That will be in production in the middle of 2000 and sustain annual output et 2m ounces for 10 years.

John Bridges, analyst at Flemings Global Mining Group, says the new plan should boost Barrick's cash flow hy half from this year's $480m to $650m in 1999.

"We see this as a positive move to enahle management to focus on areas where valne can be added. It also adds to cash flow and simplifies the company and should make an acquisition easier if one which adds to shareholder value becomes available."

Kenneth Gooding

Gold's downhill path



A convoy from El Indio Mine in Chile drives gold/copper concentrate through the Andes to La Serena for shipment to smelters

Car emissions targets 'to stay in place'

By John Griffiths in Frankfurt

Carmakers can expect no further concessions hy California's air quality regulator on the timetable for introducing "zero emissions vehicles" (ZEVs), the Financial Times world motor industry conference was told yesterday.

John Dunlap, chairman of California's Air Resources Board (CARB), aaid there would be no rolling back of the board's requirement that 10 per cent of new cars sold in California, or about 100,000 units, must be ZEVs in 2003.

Under a 10-year clean air programme approved in 1990, CARB had required that 2 per cent of sales be of ZEVs next year. However, its own technical review last year was forced to conclude that battary-powered cars still cost too much and had too limited a range for the 1998 requirement to be put into effect.

Mr Dunlap insisted yesterday that a number of new, better-performing vahicles using improved battery technology were poised to enter the market.

CARB would continue to monitor the technology but he now expected acceptable progress towards the 2003 sales targets. "I can tell you this, while I am chairman of this board we will not again touch that regulation," he added.

However Mr Dunlap's optimism about the expected progress of battery-powered vehicles appeared not to be shared by other research and development experts.

Professor Ulrich Seiffert, former head of research and development at Volkswagen Group, Europe's higgest carmaker, told the conference that battery technology progress remained slow.

While pressure for improved battery technology should be kept up, "hybrid" engines combining traditional fuels with electricity were most likely to form what he described as a "bridge" to the most promising future car propulsion technology, the fuel cell.

Mercedes-Benz recently announced a $400m-plus investment programme to pursue fuel cell technology with the Canadian Ballard group.

However Prof Seiffert said a breakthrough with this technology "is at least 10 years away".

But Rosen Motors, the Californian company controlled by Ben Rosen, Compaq Computers chairman, said it was negotiating with several big car companies on taking its revolutionary "hybrid" gas turbine/flywheel car engine towards commercial prodnction.

"By the end of this year we'll have taken the project about as far as we can go alone," said Mr Rosen, wbo has made a personal investment of $13m in the engine project.

He predicted that the engine would be commercially available in cars within the next six years.

Talks on the Rosen hybrid are understood to be going on with both the big North American and some European car makers. The system comprises a small, 60 borsepower gas turbine engine providing electrical energy both to drive the car under light load and to store energy in an advanced plastic composites flywheel spinning at 55,000 rpm.

Rosen Motors claims that when axtra power is required, such as for overtaking, an extra 200 horsepower is fed directly to the wheels from the flywheel, providing acceleration from standstill to 60mph as fast as a Ferrari.

The flywheel runs in a vacuum and "floats" in a magnetic field bearing. This allows it, said Mr Rosen, to keep spinning with enough energy to restart the turbine even if the vehicle is left left unused for six weeks.

Extension to Canary Wharf reflects growth in the investment bank's London-based business

CSFB plans to expand trading floors

By Norma Cohen, Property Correspondent

Credit Suisse First Boston, the Swiss-owned investment bank, is to build a 275,000 sq ft extension to its European headquarters at Canary Wharf in London's Docklands, expanding its existing space by 50 per cent.

The investment demonstrates tha strength of demand in London, particularly from foreign-owned banks, for large amounts of space purpose-designed for their needs.

CSFB said it needs the space because the growth of its London trading is stretching the limits of its current accommodation.

The building will contain the two largest securities trading floors in London of 80,000 sq ft each when completed in two years' time.

At least a dozen other commercial tenants are said to be seeking premises of more than 100,000 sq ft. Builders were reluctant to build on this scale during the boom in the late 1980s because they could not imagine that more than a handful of tenants would ever want it.

These buildings are in demand because they allow for easy reconfiguration of floor space. Also, they best accommodate the underfloor cabling necessary for the information systems which support sophisticated trading techniques.

The rush by foreign banks with strong balance sheets to buy UK investment banks has enabled these banks to greatly expand their capital-intensive trading activities, increasing demand for this type of site.

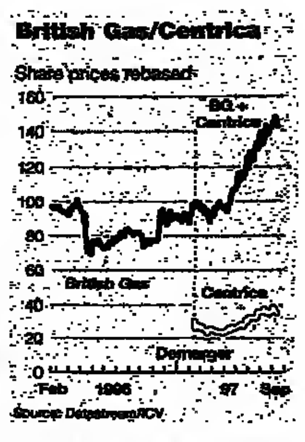
CSFB said the move was necesaary to accommodate the anticipated growth in staff and trading activities given the success of its London-based business. London serves as the global headquarters for the group's fixed income division and its highly successful derivatives venture, Credit Suisse Financial Products.

CSFP has grown from 450 staff when the firm first occupied the 540,000 Canary Wharf site in 1993 to about 700 at present. By the time the building is completed, tha company will have close to 900 staff.

CSFB did not disclose the costs of construction but buildings of this type cost roughly £120 per sq ft to build, setting a price tag of £34m on the new building when complete. However, Canary Wharf remains an enterprise zone, giving the developer of a new building tax breaks and VAT exemptions whicb cut costs by over 80 per cent, property consultants said.

LEX COMMENT

Centrica



Here is a puzzla: can Centrica, a lossmaking company in a shrinking market, really be worth £4bn? If so, British Gas'a demerger has been a spectacular textbook success – not just freeing the management from the dead hand of BG's culture bnt also unlocking an undervalued jewel for investors. Well, the valuation is not inconceivable. For ona thing, Centrica is sitting on maybe £3bn worth of gas. True, it is also lumbered with rather a lot of uneconomic gas purchase contracts. But the company has at least cut its above-market purchase costs back so the excess is just 5 per cent of the average gas bill. With luck, that is not enough to prompt too many retail customers to shift. So, say optimists, suppose no more gas purchase contracts were renegotiated.

Centrica might be able to retain around 70 per cent of the retail market – despite passing high costs on – while still making the 1.5 per cent supply margin the regulator currently allows. Put these profits on to a market multiple, with a probably negligible tax charge, and Centrica'a supply business might be worth £1bn.

Might. But tha scenario is surely a touch rosy. Yes, domestic customers have proved surprisingly reluctant to shift. But to assume Centrica can charge 5 per cent more than its competitors *indefinitely*, while bolding on to more than half the market, looks implausibly cosy. Might not, for instance, the gas regulator have something to say about such persistent over-charging?

British Energy in US venture

By Simon Holberton

British Energy, the privatised nuclear utility, yesterday entered into a joint venture with PECO Energy of Philadelphia to invest in the US nuclear power industry.

The companies have set up AmerGen Energy, which will acquire and operate nuclear generating plants.

Dickinson Smith, president of PECO Energy and chairman of AmerGen, said the joint venture "provides excellent strategic and competitive opportunities for both PECO Energy and British Energy in a deregulated utility marketplace in the US".

The joint venture requires no initial capital. That will be provided on a 50/50 basis as and when investment funds are needed.

The structure of tha US electricity market is changing and both believe there are profitabla opportunities to be had by managing some of the 109 nuclear power plants in the US.

Robin Jeffrey, deputy chairman of British Energy, said AmerGen was in discussion with some utilities about the possible acquisition of their nuclear assets. He said AmerGen would not enter into deals with US utilities that would not create shareholder value for British Energy's shareholders. "Our decision to walk away from buying into Loy Yang [in Victoria, Australia] demonstrates our commitment to shareholder value."

Mr Jeffrey said that whereas the market for fossil fuel generation was a seller's the opposite was true for the nuclear industry in the US. Many utilities which owned only one, or a share of one, nuclear plant wanted to exit nuclear generation.

BAe wins regional aircraft battle

By Alexander Nicoll, Defence Correspondent

British Aerospace, tha defence equipment and aircraft manufacturer, has won a long battle to stem losses from its regional aircraft business.

Losses from regional aircraft, including the BAe-146 and the Jetstream turboprop, nearly bankrupted the company in the early 1990s. But BAe, which had said in May that it would make no mora turbo-prop aircraft, announced yesterday that it had broken even on regional jets in the first half of the year.

Tha company's steady recovery was underlined by first-half 1997 results showing a healthy rise in profits before tax and excaptional items to £278m ($442m) from £215m in the previous first half. Turnover, buoyed by defence sales which included deliveriea of Tornado aircraft to Saudi Arabia, rose to £3.87bn from £3.3bn and the order book at end-June 1997 was £19.5bn.

Although the City welcomed the figures, there was some initial confusion on the funding of the Airbus project. BAe's share price fell 45p to £15.10¼p as the market assessed new figures released by BAe on repayments it will make to the British government of aid advanced for the Airbus, in which BAe has 20 per cent.

However, Richard Lapthorne, finance director, said that the repayments, totalling some £500m between this year and 1999, will be offset by increasing volumes of Airbus aales and that intense price competition from Boeing, the US aircraft maker, would be balanced by productivity gains at Airbus.

Sir Richard Evans, BAe chief executive, expressed confidence that the new Frencb government would press ahead witb tbe restructuring of Airbus into a new corporate entity, regarded by BAe as essential to its future health.

The end of losses on regional jets is a milestone for BAe. Mr Lapthorne said running costs from regional aircraft – including turboprops whicb BAe still has out on lease and must support – would be £60m per year from now, down from £250m five years ago.

BAe is still taking orders for new Avro jets but the closure of turbo-props, for whicb there is buge oversupply in the secondary market, will eliminate substantial losses.

BAe announced it may float or spin off Arlington Securities, its property subsidiary which develops land formerly occupied by BAe factories into business parks.

Rio Tinto holds pay-out

By Kenneth Gooding

Shares in Rio Tinto, the world's biggest mining group, yesterday fell nearly 3 per cent or 29p to 996p, after the Anglo-Australian concern reported half-year results in line with expectations but failed to raise tbe dividend.

Robert Wilson, chairman, said the group wanted to rebuild dividend cover. Also, there were uncertainties about the UK government's proposed withdrawal of foreign income dividends.

"This would have an important adverse effect on Rio Tinto and other British companies which have most of their operations outside the UK," he said. "However, we believe the government is committed to introduce measures to remedy the position."

Rio's pre-tax profit increased by 9 per cent to $975m. Adjusted earnings were np by 8 per cent to $595m. The dividend is held at 16.5 cents, which equates to 10.37p for UK shareholders (10.6p) and 22.58 Australian cents (20.65 cents).

Analysts suggested that non-recurring, non-operational charges hit Rio's adjusted half year earnings by between $60m and $70m.

Mr Wilson pointed out that benefits of rationalisation since the merger 18 months ago between RTZ and CRA had largely been offset by one-off reorganisation costs. But there would be annual savings of $250m, or $150m after tax.

Cash outflow in the half year increased from $411m to $736m. Mr Wilson said the balance sheet was still very strong in spite of gearing rising from 22 per cent to 27 per cent. Net debt of $3.1bn should be lower at the year-end.

Stackers and shiploaders at the port of Tanjung Bara. Kaltim Prima Coal, East Kalimantan, Indonesia

Commodities, Page 26

Vickers makes medical disposals

By Alexander Nicoll

Vickers, the engineering group, is to sell its medical equipment businesses to sharpen its focus and concentrate on producing Rolls-Royce cars, tanks and propulsion equipment.

Vickers has already sold two medical businesses, and yesterday announced the sale of part of the distribution operation for about £4.5m in cash.

The companies which remain to be sold – makers of perinatal care and anaesthetic equipment and neuro-diagnostic products – had combined sales of £82m in 1996.

The medical division had first half losses of £4.6m on sales of £57.3m. Analysts estimate the medical disposals could realise £70m-£80m.

Sir Colin Chandler, chairman, said Lazard Brothers had received 15 expressions of interest in tha subsidiaries. He hoped to complete the sales by the year-end.

He announced the decision alongside results for the six months to June 30 showing a slight rise in operating profits to £32.3m from continuing businesses, but a halving of pre-tax profits after a £12.5m loss on the sale of a Danish medical subsidiary.

After the provision, pre-tax profits fell to £15m (£31.8m) on turnover which rose to £567.9m (£553.8m).

Vickers had warned that the strong pound would adversely affect its earnings. However, it proved to have no significant impact.

Profits were weakened instead by pressure on margins on selling Rolls-Royce and Bentley cars, on which it bas been offering discounts before the introduction of a new range.

Earnings per share were 1.9p (6.3p) after exceptionals and 5.6p before them.

The market reacted badly to Vickers results, with the shares falling 11½p to 193½p. While the medical divestments had been well flagged and were seen as sensible, analysts were suspicious of the decision to take some sales of Challenger tanks into profits this year and to capitalise interest against the launch of the new Rolls-Royce range – altbough the company defended this as standard practice. Attributing profits from Challenger now, before the British army has completed its trials, was seen as depressing future profits on the tanks, whicb in any case will not are not be very substantial nnless Vickers secures big significant export orders. The incorrect forecast on the pound only served to undermine confidence. Against this gloom must be balanced the fact that Vickers is in an awkward limbo period as it awaits completion both of development of the Rolls-Royce models and of the Challenger trials. The propulsion technology business is healthy and the medical division will cease to be a drag on profits.

Centrica renegotiates contracts

By Ross Tieman

Cantrica, the gas trading business demerged from British Gas in February, has now renegotiated half of its over-priced take-or-pay contracts with North Sea gas producers, and expects to strike further deals shortly.

"By the end of the year we will have the portfolio in a manageable form," Roy Gardner, chief executive, said yesterday.

Although about 35 suppliers are involved in the outstanding contracts, the company is believed to be concentrating on discussions over fields controlled by companies including Philips, Shell, Connoco, Chevron, Total and Elf.

Analysts had estimated that Centrica had liabilities of about £1.5bn arising from the old contracts.

But Mr Gardner said yesterday that Centrica had succeeded in reducing its average cost of gas to about 16p a therm, excluding periods of peak demand, against a spot market price of almost 14p.

Mark Clure, finance director, said: "In the domestic market we believe we can probably pass through the residual price differential."

During the half to June 80, group sales fell 6.6 per cent to £4.22bn, and operating profits from £179m to £89m.

Centrica provided an extra £40m for compensating gas suppliers after renegotiating take-or-pay contracts.

A further £192m was set aside for the windfall tax and £20m for redundancies, bringing total charges to £252m.

The pre-tax loss was £216m (losses of £53m).

Cash flow from operations was £413m. Most of the money comes from the group's gas production fields in Morecambe Bay, but there was also a big cut in working capital as the company sorted out its domestic billing system.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Ash & Lacy	6 mths to June 30	75.3	(74)	5.45	(4.8)	10.3	(8.9)	2.9	Nov 15	2.7	-	7.2
Adwest	Year to June 30	191.4	(223.7)	14.4♠	(231L♠)	11.4	(30.7L)	5.5	Nov 28	5.5	7.8	7.8
Arjo Wiggins	6 mths to June 30	1,642	(1,857)	106.3	(32.3♠)	8.4	(2.2)	2.9¥	Nov 16	2.9	-	7.5
Aspen	6 mths to June 30■	47	(48.2)	338L♠	(499♥)	2.6L†	(2.1)	2.5	Nov 10	2.5	-	6.25
Bentalls	6 mths to Aug 2	45.5	(40.9)	7.98♥	(0.4)	22.46	(0.8)	0.7□	Nov 3	0.6	-	2.78
Booker	24 wks to June 14	2,346	(1,895)	17.2♠	(32.6♥)	4.1†	(9.2)	8.3	Jan 2	8.1	-	23.8
British Aerospace	6 mths to June 30	3,316	(2,916)	70L♠	(199♠)	16.4L	(31.2)	7.82	Nov 28	6.25	-	15.63
Brunner Mond	Year to June 30	145.7	(138.8)	18.3	(13.8)	18.3†	(16)	5.8	Nov 10	-	8.7	-
BTR	6 mths to June 30	4,120	(4,953)	540♥	(626♥)	9.1	(10.7)	4¥	Nov 28	5¥	-	12
Centrica	6 mths to June 30	4,222	(4,520)	149L♠	(196)	4.9L	(1.2L)	-	-	-	-	-
Coats Viyella	6 mths to June 30	1,134	(1,161)	41.5♠	(47♠)	3.4	(4)	3.7¥	Dec 23	4.63¥	-	9.73
Consolidated Coal	Year to March 31	5.72	(1.72)	6.47L♠	(1.08L)	21.7L	(6.5L)	-	-	-	-	-
Cortecs	Year to June 30	7.7	(10.5)	11.7L	(3.8L)	7.9L	(3L)	-	-	-	-	-
Davis Service	6 mths to June 30	202.3	(157.3)	16.1♠	(12.3♥)	8.55	(7.71)	3.73	Oct 24	3.39	-	10.29
EBC	6 mths to June 30	31.5	(24.8)	0.458	(0.394)	2.69	(2.27)	1.1	Oct 17	1	-	2.5
Enterprise Oil	6 mths to June 30	480	(427.9)	146.3	(157.5)	14.6	(13.5)	6.9	Nov 3	6.5	-	17
Goodhead	Year to May 31	32.2	(31.8)	1.53♥	(1.01)	2.4	(1.8)	0.3	Nov 28	0.15	0.4	0.2
Headlam	6 mths to June 30	116.4	(83.9)	6.81	(4.44♥)	7.5†	(6.2)	1.75	Dec 22	1.45	-	5.8
Instem	6 mths to June 27	11.3	(10.7)	0.538	(0.402)	7.7	(5.8)	1.9	Nov 28	1.5	-	4.5
Jackson	6 mths to June 30	45.2	(36.2)	1.61	(0.435)	4.75	(1.28)	1.1	Nov 4	0.7	-	2.1
Jeyes	28 wks to July 12	59.3	(66.1)	1.1	(1.08)	3.5	(2.9)	0.6	Nov 14	nil	-	1
Legal & General	6 mths to June 30	-	(-)	257.1	(1,509♥)	17.16	(116.6)	4	Dec 1	3.5	-	11.13
Limelight	6 mths to June 30	80.4	(88.1)	0.094♠	(1.05♠)	0.6	(0.3)	-	-	-	-	-
Marylebone Warwick	Year to June 30■	12.8	(17)	10.1L♠	(0.16L♥)	22.1L†	(0.1L)	2.5	Nov 10	2.5	2.5	2.5
National Express	6 mths to June 30	473.4	(205.8)	23.5♠	(20.4♠)	16.4†	(14)	4	Oct 24	3.4	-	11.5
Pittards	6 mths to June 30	53.4	(56.1)	2.1	(1.41)	7	(5.5)	1	Nov 3	0.75	-	3.25
Qualceram ♣	6 mths to June 30	4.37	(3.71)	0.823	(0.761)	5.63	(5.23)	1	Oct 20	-	-	-
Rathbone Bros	6 mths to June 30	24.4	(14.4)	6.31	(4.38)	15.38†	(11.99)	5	Oct 14	4	-	11.5
Rio Tinto $	6 mths to June 30	4,571	(4,003)	975	(891)	42.5	(39.5)	16.5	Oct 20	16.5	-	51
Royal Dutch Pet	6 mths to June 30	-	(-)	-	(-)	-	(-)	1.3‡	Sep 23	1.08§§	-	2.64§§
Shell Transport	6 mths to June 30	-	(-)	-	(-)	-	(-)	5.1	Nov 3	4.8♦	-	12.3♦
Sirdar	Year to June 30	52.6	(56)	5.25	(5.91♥)	6.92	(7.6)	3.7	Nov 24	3.7	5.49	5.49
Spirax-Sarco	6 mths to June 30	131.3	(136.3)	22.4	(21.8)	17.4	(16.8)	4.8¥	Nov 14	4.5	-	14.8
Tracker Network Φ	6 mths to June 30	6.87	(5.02)	0.451	(0.164L)	8.5	(3.1L)	-	-	-	-	-
United Biscuits	28 wks to July 12■	918.2	(1,048)	13.7♠	(42.8♠)	0.6	(5.5)	3.5	Jan 5	3.5	-	10
Vickers	6 mths to June 30	567.9	(553.8)	15♠	(31.8)	1.9	(6.3)	2.7	Oct 16	2.7	-	7.2

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Abtrust Convert	Year to June 30■	100.4	(98.4)	1.81	(1.56)	7.96	(8.84)	1.47§	Oct 15	1.17	8.5	6.8
Johnson Fry Utils	Year to July 31	149.5	(97.3)	0.489	(0.664)	4.59	(6.23)	3.3	Oct 15	3	5.4	5.1

Dividends shown net. Figures in brackets are for corresponding period. ♠After exceptional charge. ♥After exceptional credit. †On increased capital. Earnings shown basic. Dividends shown net. ■Comparatives restated. □Special interim of 10p paid on June 20. §§Adjusted for subdivision. ♣Irish currency. $US currency. ΦAim stock. ¥Foreign income dividend. §Interim of 0.533p payable October 15 also declared for current year. ‡Dutch florins – gross. ♦Adjusted for capitalisation issue.

German

INTERNATIONAL CAPITAL MARKETS

Treasuries fall on labour report

GOVERNMENT BONDS

By John Labate in New York and Philip Coggan in London

US Treasury bonds weakened yesterday as a labour report gave further evidence that the US economy is continuing its solid expansion.

By midday the 30-year bond had fallen ⅝ to 96, with the yield rising to 6.68 per cent. The two-year note was unchanged at 99$\frac{28}{32}$, yielding 5.976 per cent, and the 10-year note was down $\frac{1}{16}$ at 98$\frac{1}{16}$, yielding 6.382 per cent.

The labour market remained tight, according to a report on initial claims for unemployment insurance, which fell by 14,000 to 310,000 for the first week in September.

"The market had expected claims to fall by only 1,000," said Stan Shipley, senior economist at Merrill Lynch. "The Monday holiday probably had an effect on the report, but we'll know with next week's claims report."

Other factors also contributed to lower bond prices. "Corporate and asset-backed supply is still dragging on the market," said Tom O'Connell, senior government trader at First Chicago Capital Markets. He added that reports were that $15bn to $20bn in new issues had reached markets this week, with continued strong supply also expected next week.

Treasury prices have been in retreat this week in anticipation of a pick-up in producer prices in today's release. August retail sales data are also due today.

The early weakness of US Treasuries weighed on European bond markets.

GERMAN BUNDS were also hit by remarks from Otmar Issing, Bundesbank chief economist, that "the trend towards lower inflation in Germany was over". The market was also jolted by a comment from Chancellor Helmut Kohl that German growth would be 3 per cent this year; his office later corrected his statement to 2.5 per cent. Bund futures fell by around a fifth of a point on the day.

ITALIAN BTPs narrowed their yield spread over German bunds, which has been volatile this week. Luca Jellinek, bond strategist at Paribas, says an 82-point spread over 10-year bunds appeared to be the pivotal point for the market. A reduction in concern about prospects for pension reform appeared to help BTPs yesterday.

However, some analysts remained cautious.

"Italy may be getting a glowing thumbs up from the IMF on its improved Emu fundamentals, but it is still in the thick of the slanging match between the government and the Communist Refoundation, and a growing risk that the uneasy cohabitation between the two may fall apart soon. And we know what that means ultimately for the Italian markets – dire consequences for BTPs and the lira," said David Brown, chief European economist at Bear Stearns.

UK GILTS edged up by around an eighth of a point on news that the Bank of England's monetary policy committee had left base rates unchanged – even though the news could hardly have come as a surprise to investors.

Nevertheless, John Shepperd, chief economist at Yamaichi International (Europe), warned that "the jury's still out on whether this is the peak in UK rates or not".

Estonia rated investment grade

By Kevin Done, East Europe Correspondent

Estonia was yesterday awarded the highest credit ratings of any of the states to emerge from the collapse of the former Soviet Union. The country is the only one of the three Baltic states recommended by the European Commission for early negotiations on membership of the European Union.

It was awarded a Baa1 investment grade rating by Moody's, the US credit rating agency, the same level as the Czech Republic. IBCA, the European agency, rated Estonia one notch lower at BBB, the same as its ratings for Hungary and Poland.

IBCA said although Estonia had no plans for a sovereign issue in the international capital markets, the rating would set a ceiling for foreign currency borrowings by Estonian banks and other corporate entities.

Eesti Uhispank, the second largest of the Estonian banks with between 22 and 25 per cent of the banking market, became the first bank to obtain a full rating yesterday at BBB–.

IBCA said its BBB rating of Estonia was supported by its strong economic growth, sustained export performance, record of policy reform, political consensus on economic objectives, low indebtedness, and the likelihood that it would be one of first east European countries joining the EU.

● IBCA confirmed Romania's long-term foreign currency rating at BB– but warned that it could overextend itself with the prospect of its debt service ratio nearly doubling to 20 per cent in 1997-98.

Venezuela to retire $4bn of Brady bonds

By Stephen Fidler, Latin America Editor

Venezuela said yesterday that it would issue $4bn of new global bonds to retire Brady bonds issued to settle its 1980s debt problems.

The size of the exchange exceeded by far early expectations. Mr Luis Matos Azocar, the Venezuelan finance minister, described the issue as the largest underwritten bond transaction ever and said it was a demonstration of market confidence in the Venezuelan economy.

Venezuela is one of six countries to announce such an exchange. Brazil – which exchanged $3bn of bonds – Mexico and the Philippines have completed their swaps. Argentina will announce the results of its exchange today, while Panama has invited bids to retire at least $500m of Brady bonds.

Some $4.44bn of Venezuelan Brady bonds, issued as part of a 1990 agreement with international banks, will be retired, around a quarter of those outstanding. Some $4.13bn of the most expensive Bradys from Venezuela's viewpoint, so-called par bonds, will be retired, 61 per cent of the total.

Charles Seelig, head of emerging markets at Goldman Sachs, which co-managed the deal with Chase Securities, said: "It continues to demonstrate that Bradys are a thing of the past." The success of the exchange showed that global bonds – bonds registered with the Securities and Exchange Commission that also trade internationally – were what "true institutional investors want".

Very few tenders were made by international banks – the original holders of the loans from which Brady bonds were created. Mr Seelig said US banks in particular were unwilling to participate since, under US regulations, the value of the rest of their portfolio would be contaminated by selling part of it for market value.

Jorge Jasson, emerging markets head at Chase Securities, said the success of the exchange reflected in part the large unsatisfied demand for Venezuelan bonds. The country had not issued an SEC-registered bond since the 1980s debt crisis, and the cash portion of the offering was limited to $500m.

The new bonds for which investors tendered cash had in effect been exchanged for Brady bonds held by the government's own investment fund. The cash portion was oversubscribed more than 13 times.

Investors bought up Brady bonds to be better assured of obtaining the global bonds, he said. There was also a bandwagon effect when investors began to realise that the new bond issue would be large – and therefore very easy to buy and sell efficiently.

The exchange will reduce the country's outstanding debt by $426m, and represents a saving in net present value terms of $385m. It will allow the country to retire about $1.3bn face value of US Treasury debt that was being used as collateral in the Brady bonds. The proceeds from this will be used to retire government debts to the central bank, Mr Matos said.

GMAC issue well received

INTERNATIONAL BONDS

By Samer Iskandar and Vincent Boland

An innovative issue by GMAC – the financing arm of US car maker General Motors – was well received in a busy market yesterday.

GMAC launched the first sterling-denominated global bond paying a floating rate. The deal was also part of the first issue of parallel bonds involving a currency that is not expected to participate in the single European currency from the outset.

Parallel bonds are usually denominated in two or more core European currencies and become fungible after Emu. GMAC, however, issued one tranche in sterling and the other in D-Marks. Merrill Lynch, lead manager of both tranches, said the structure suited two types of investors: those bullish on Emu and those who are bearish.

"By switching from the D-Mark to the sterling tranche, it is possible to continue holding a bond with the same coupon and maturity, but immune to the uncertainties surrounding Emu," an official said.

KDB, the Korea Development Bank, met very strong demand for its latest global issue, which led the book-runners, Lehman Brothers and J.P.Morgan, to increase its size by $500m to $1.5bn.

Lehman said the success of the issue allowed Korean spreads to "return to normal" after a period of extreme volatility due to the currency crisis in south-east Asia. "This deal made investors differentiate between Korea and the rest of the region," said a syndicate official. J. P. Morgan said the deal would help "underpin Asian credits in general and could contribute to the region's opening back up".

● PARMALAT, the Italian food group, is raising up to L700bn through a privately-placed loan of L300bn, combined with L400bn of bonds convertible into new shares of the company.

Parmalat said the operation would enable it to refinance existing debt at lower rates. The non-convertible Parmalat Finanziaria 1997-02 loan, for L200bn-L300bn, is being led by UBS. Paribas will lead-manage the convertible bond issue, which will have a maturity of between six and eight years.

The shares into which the bonds will be convertible are expected to be issued after a shareholders' meeting on October 27 at a minimum of L2,750 per share and reserved for bond holders.

New international bond issues

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book-runner
■ US DOLLARS							
Republic of Venezuela(s)	4bn	9.25#	93.501R	Sep 2027	1.00R	+325(6⅝%-27)	Chase/Goldman Sachs
Korea Development Bank	900	7.125#	99.709R	Sep 2001	0.275R	+98(6⅝%Sep01)	Lehman/JP Morgan Secs
Korea Development Bank	600	7.375#	99.345R	Sep 2004	0.325R	+115(7¼%-01)	Lehman/JP Morgan Secs
Merrill Lynch & Co	500	6.75	99.171R	Sep 2004	0.35R	+52(6½%Aug02)	Merrill Lynch International
Compagnie Bancaire‡	400	(a)	99.895R	Oct 2004	0.175R	-	Commerzbank/Lehman
First Chicago NBD Corp‡	250	(b)	100.00	Sep 2002	0.175	-	Lehman Brothers Intl
UBS Australia	100	3.25	89.68R	Oct 2001	0.225R	+5(6⅝%Aug00)	UBS
■ D-MARKS							
Helaba International Finance	1bn	4.75	99.335R	Oct 2002	0.25R	+17(4½%May02)	BZW/CSFB
GMAC‡	750	(c)	99.838R	Sep 2002	0.225R	-	Dresdner/Merrill Lynch
Norddeutsche Landesbank	250	5.875	99.314R	Sep 2007	0.35R	+30(6%Jul07)	Deutsche Morgan G'fell
■ STERLING							
GMAC‡	300	(c)	99.855R	Sep 2002	0.225R	-	BZW/Merrill Lynch
Mooncrest Funding(d)‡	128.1	(d1)	100.00R	Jul 2012	0.35R	-	Citibank International
■ ITALIAN LIRE							
Mediocredito Lombardo	200bn	Zero	85.95	Oct 2000	1.75	-	Cariplo/JP Morgan
■ CANADIAN DOLLARS							
LB Schleswig-Holstein	100	5.50	98.67R	Oct 2003	0.275R	+24(5½%Sep02)	TD Securities
■ LUXEMBOURG FRANCS							
Genfinance Luxembourg(l)	2bn	(e)	102.40	Dec 2007	2.00	-	BGL
■ EUROS							
GECC(f)	450	5.50	99.54R	Oct 2004	0.30R	+6(i)	Paribas

Final terms, non-callable unless stated. Yield spread (over relevant government bond) at launch supplied by lead manager. ‡ Floating-rate note. #Semi-annual coupon. R: Fixed re-offer price; fees shown at re-offer level. a) 3-mth Libor +10bp. b) 3-mth Libor +10bp. c) 3-mth Libor +12½bp. d) Average life: 9.2 yrs. Callable on any coupon date at par. d1) 3-mth Libor +17½bp to Jul 02, then +45bp. e) 4¼% to 28/12/02, then 7¼%. f) Pays in Ecu prior to Emu. i) Over interpolated yield. l) Long 1st coupon. s) Short 1st coupon.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

Sep 11	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	03/98	9.250	102.1142	4.77	–0.25	–0.29	–0.50	–2.34
	10/07	10.000	126.0875	6.41	–0.15	–0.15	–0.41	–1.69
Austria	09/99	7.000	105.3200	4.19	–0.01	–0.06	+0.07	+0.33
	07/07	5.625	99.4200	5.70	+0.02	–0.02	–0.02	–0.66
Belgium	04/99	7.000	104.5700	4.01	–0.01	–0.02	–0.15	+0.23
	03/07	6.250	103.6200	5.74	+0.01	–0.02	–0.01	–0.80
Canada	03/99	4.000	98.8300	4.12	–0.01	–0.02	–0.40	–1.30
	06/07	7.250	106.5700	6.06	+0.01	+0.05	+0.06	–1.37
Denmark	12/98	6.000	102.9800	4.55	–0.01	–0.06	+0.07	–0.26
	11/07	7.000	105.5600	6.24	+0.01	-	+0.01	–1.02
Finland	01/99	11.000	108.0160	3.88	+0.03	+0.01	+0.03	–0.55
	04/06	7.250	108.9160	5.89	–0.03	–0.02	+0.02	–1.08
France	11/99	7.000	106.0700	4.00	–0.01	–0.06	–0.02	–0.35
	10/04	6.750	109.2400	5.19	+0.03	–0.02	–0.04	–0.79
	10/07	5.500	99.4500	5.57	–0.02	–0.01	–0.03	–0.80
	10/26	6.000	96.5800	6.26	–0.02	–0.03	–0.06	–0.90
Germany	06/99	3.500	99.3800	5.87	–0.02	–0.05	+0.02	+0.12
	07/04	6.750	106.3000	5.27	+0.02	–0.02	-	–0.64
	07/07	6.000	102.3700	5.67	+0.02	–0.01	+0.01	–0.63
	07/27	6.500	102.1600	6.33	+0.02	–0.02	–0.05	–0.76
Ireland	04/99	6.250	100.7300	6.72	–0.06	–0.05	+0.20	–0.90
	08/06	8.000	111.2800	6.31	+0.01	–0.01	–0.10	–1.19
Italy	05/00	8.000	100.5800	5.76	–0.02	–0.11	–0.27	–2.56
	05/02	6.250	101.3100	5.92	–0.01	–0.07	–0.24	–2.76
	07/07	6.750	102.5600	6.39	–0.02	–0.02	–0.11	–2.88
	01/26	7.250	103.0000	7.00	–0.01	–0.01	–0.15	–2.60
Japan	06/99	4.800	107.4700	0.52	+0.01	+0.01	–0.12	–0.65
	12/02	4.800	116.2700	1.56	+0.02	-	–0.06	–0.74
	09/05	3.000	106.6100	2.10	+0.02	–0.01	–0.09	–0.81
	03/17	3.500	108.9000	2.90	+0.01	-	–0.07	–0.63
Netherlands	06/99	7.500	105.6900	4.04	-	–0.05	–0.07	+0.36
	02/07	5.750	100.9500	5.61	+0.03	–0.01	-	–0.58
New Zealand	02/00	6.500	98.3784	7.23	+0.02	–0.04	–0.19	–0.79
	11/06	8.000	106.1114	7.07	-	–0.09	–0.06	–1.23
Norway	07/99	9.000	105.9000	4.45	–0.03	–0.10	–0.08	–1.27
	01/07	6.750	105.7500	5.92	–0.03	–0.06	–0.10	–1.21
Portugal	03/99	8.500	104.7106	5.16	–0.02	–0.06	–0.17	–2.10
	02/07	6.625	102.5684	6.25	-	–0.03	–0.10	–2.24
Spain	07/99	7.400	104.1789	4.98	–0.06	+0.01	–0.10	–2.31
	03/07	7.350	106.1167	6.19	–0.01	-	–0.09	–2.39
Sweden	01/99	11.000	107.7920	4.84	+0.03	–0.03	+0.03	–1.42
	08/07	8.000	110.0110	6.59	+0.02	+0.03	+0.06	–1.59
Switzerland	03/99	4.000	103.3000	1.72	–0.04	+0.08	+0.16	–0.43
	06/07	4.000	107.6200	3.56	+0.02	+0.03	+0.10	–0.60
UK	08/98	6.000	98.4219	6.89	–0.01	–0.04	–0.09	+0.71
	11/04	6.750	98.8438	6.95	–0.01	–0.04	–0.14	–0.53
	12/07	7.250	102.1563	6.95	–0.01	–0.04	–0.06	–0.93
	06/21	8.000	112.7813	6.90	–0.01	–0.04	–0.15	–1.29
US	07/99	5.875	99.7669	6.00	+0.02	+0.04	+0.04	–0.31
	05/04	7.250	104.8787	6.34	+0.02	+0.04	+0.04	–0.35
	08/07	6.125	98.0623	6.39	+0.03	+0.07	+0.03	–0.53
	08/27	6.375	95.9789	6.69	+0.04	+0.09	+0.06	–0.42
ECU	03/99	5.000	100.7100	4.48	+0.01	–0.01	+0.03	–0.09
	04/07	5.500	97.0100	5.91	+0.03	–0.03	–0.03	–0.89

London closing, New York mid-day. Source: Interactive Data/FT Information
Yields: Local market standard/Annualised yield base.

10 YEAR BENCHMARK SPREADS

Sep 11	Bid Yield	Spread vs Bunds	Spread vs T-Bonds
Australia	6.41	+0.74	+0.03
Austria	5.70	+0.03	–0.68
Belgium	5.74	+0.07	–0.64
Canada	6.05	+0.38	–0.33
Denmark	6.24	+0.57	–0.14
Finland	5.89	+0.22	–0.49
France	5.57	–0.10	–0.81
Germany	5.67	-	–0.71
Ireland	6.31	+0.64	–0.07
Italy	6.39	+0.72	+0.01
Japan	2.10	–3.57	–4.28
Netherlands	5.61	–0.06	–0.77
New Zealand	7.07	+1.40	+0.69
Norway	5.92	+0.25	–0.46
Portugal	6.25	+0.58	–0.13
Spain	6.19	+0.52	–0.19
Sweden	6.59	+0.92	+0.21
Switzerland	3.56	–2.11	–2.82
UK	6.95	+1.28	+0.57
US	6.38	+0.71	-
ECU	5.91	+0.24	–0.47

Source: Interactive Data/FT Information
London closing. * New York closing
Annualised yield basis.

EMERGING MARKET BONDS

Sep 11	Red date	Coupn	S & P Rating	Bid price	Bid yield	Day's chge yld	Mth's chge yld	Sprd vs US
■ EUROPE								
Croatia	02/02	7.000	BBB–	97.3394	7.70	+0.02	+0.22	+1.43
Poland	07/00	7.750	BBB–	102.5110	6.73	+0.02	+0.04	+0.63
Russia	11/01	9.250	BB–	102.1858	8.59	–0.10	+0.04	+2.41
■ LATIN AMERICA								
Argentina	01/17	11.375	BB	115.4306	9.58	+0.03	+0.25	+3.05
Brazil	11/01	8.875	BB–	102.6881	8.07	+0.02	+0.28	+1.89
Mexico	01/07	9.875	BB	105.5511	8.98	+0.03	+0.24	+2.60
■ ASIA								
China	07/01	7.750	BBB+	102.3234	7.02	–0.03	+0.39	+0.84
Philippines	10/16	8.750	BB+	99.6235	8.79	+0.03	+0.21	+2.27
Thailand	04/07	7.375	A–	98.3099	7.62	+0.03	–0.58	+1.24
■ AFRICA/MIDDLE EAST								
Lebanon	07/00	9.125	BB–	103.3277	7.77	+0.02	+0.10	+1.67
South Africa	12/99	9.625	BB+	105.3514	7.00	–0.02	+0.15	+1.01
Turkey	05/02	10.000	B	104.8141	8.72	–0.06	+0.33	+2.45
■ BRADY BONDS								
Argentina	03/23	5.500	BB	72.6409	8.62	+0.03	+2.27	+2.00
Brazil	04/24	4.250	BB–	70.0562	6.67	+0.01	–0.17	+0.04
Mexico	12/19	6.250	BB	80.2558	8.19	+0.03	–0.14	+1.63
Venezuela	03/20	6.750	B+	91.7077	8.60	+0.03	–0.03	+2.02

London closing. Source: Interactive Data/FT Information.
Standard & Poor's ratings.

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	130.34	130.12	–0.18	130.36	129.96	150,521	121,079
Dec	99.12	98.94	–0.14	99.16	98.78	104,204	71,879
Mar	98.50	98.34	–0.14	98.50	98.30	95	25

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Oct	Calls Nov	Calls Dec	Puts Oct	Puts Nov	Puts Dec
96	-	-	8.09	-	0.08	0.17
97	1.97	-	2.26	0.03	0.17	0.38
98	1.05	1.31	1.51	0.11	0.37	0.58
99	0.35	0.70	0.92	0.41	0.78	0.98
100	0.06	0.27	0.49	1.12	1.32	1.54

Est. vol. total, Calls 10,676 Puts 8,054. Previous day's open int., Calls 56,419 Puts 72,380.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	101.80	101.59	–0.19	101.85	101.52	135978	298871
Mar	100.79	100.75	–0.16	100.80	100.78	440	637

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Oct	Calls Nov	Calls Dec	Calls Mar	Puts Oct	Puts Nov	Puts Dec	Puts Mar
10150	0.40	0.72	0.93	1.04	0.31	0.63	0.84	1.79
10200	0.19	0.46	0.67	0.85	0.59	0.87	1.08	2.10
10250	0.06	0.28	0.47	0.69	0.97	1.19	1.38	2.44

Est. vol. total, Calls 9871 Puts 22871. Previous day's open int., Calls 130691 Puts 185051

■ NOTIONAL GERMAN BUND (BOBL) FUTURES (DTB) DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	104.54	104.01	–0.02	104.14	103.83	112,204	187,246
Mar	104.02	103.90	-	-	-	-	1,082

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	109.25	109.43	+0.14	109.65	109.13	46393	103319
Mar		108.38	+0.14			0	5

● ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Dec	Calls Mar	Puts Dec	Puts Mar
10900	1.53	2.22	1.10	1.84
10950	1.26	1.97	1.33	2.09
11000	1.02	1.74	1.59	2.36

Est. vol. total, Calls 755 Puts 1326. Previous day's open int., Calls 55546 Puts 45340

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	117.86	117.75	–0.10	117.96	117.66	89,750	50,617
Dec	101.76	101.73	–0.02	101.95	101.68	21,978	23,999

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	115-13	115-19	+0-05	115-19	115-13	1321	6943
Dec	114-31	115-02	+0-04	115-04	114-27	37822	154992

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Oct	Calls Nov	Calls Dec	Calls Mar	Puts Oct	Puts Nov	Puts Dec	Puts Mar
115	0-31	0-59	1-13	1-48	0-27	0-55	1-09	1-58
116	0-09	0-33	0-46	1-20	1-05	1-29	1-42	2-30
117	0-03	0-16	0-27	0-62	1-63	2-12	2-23	3-08

Est. vol. total, Calls 1762 Puts 2043. Previous day's open int., Calls 28377 Puts 27828

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	97.28	97.10	–0.18	97.34	97.02	1,077	4,483
Dec	96.94	96.76	–0.19	97.04	96.68	904	2,507

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Sep	112-26	112-16	–0-13	112-28	112-11	14,820	147,238
Dec	112-14	112-04	–0-13	112-18	111-30	233,195	404,831
Mar	111-26	111-25	–0-13	111-28	111-21	617	33,979

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Dec	126.68			127.05	126.63	2888	n/a
Mar	125.93			126.13	125.93	742	n/a

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

US CORPORATE BONDS

Sep 10	Red date	Coupon	S & P Rating	Bid price	Bid yield	Day's chge yld	Mth's chge yld	Sprd v Govts
■ UTILITIES								
Pac Bell	07/02	7.25	AA–	102.8001	6.60	+0.01	+0.05	+0.38
NY Tel	08/25	7.00	A+	93.8964	7.52	+0.02	+0.01	+0.87
CWE	05/08	8.00	BBB	105.7268	7.21	+0.03	+0.04	+0.86
■ FINANCIALS								
GECC	05/07	8.75	AAA	113.4324	6.82	+0.01	–0.01	+0.47
Banc One	08/02	7.25	A+	102.2698	6.69	+0.02	+0.05	+0.45
US West	01/07	7.30	BBB+	101.2528	7.11	+0.02	-	+0.76
■ INDUSTRIALS								
WMX Tech	04/99	6.25	A–	99.9212	6.30	+0.01	+0.07	+0.33
Wal Mart	05/02	8.75	AA	100.7459	6.55	+0.01	–0.04	+0.31
Dayton Hud	08/21	9.70	BBB+	123.1981	7.57	+0.02	–0.01	+0.82
■ AGENCIES								
FHLMC	04/07	7.14	N/A	103.5422	6.63	+0.02	+0.03	+0.28
SLMA	03/00	7.50	N/A	103.0698	6.15	+0.01	–0.02	+0.07
FNMA	02/18	8.95	N/A	120.6511	7.02	+0.02	+0.01	+0.37
FFCB	06/06	8.95	N/A	115.4368	6.59	+0.02	+0.01	+0.24
■ HIGH YIELD								
Stone Cont	02/01	8.88	B	101.5000	0.00	-	-	-
AK Stl	12/01	8.13	BB–	105.0000	0.00	-	-	-
Pacalta	06/04	0.75	B–	103.5000	0.00	-	-	-

New York closing. Source: Interactive Data/FT Information.
Standard & Poor's ratings. Yields: semi-annual basis.

US INTEREST RATES

Latest		Treasury Bills and Bond Yields			
		One month	-	Two year	5.99
Prime rate	8½	Two month	-	Three year	6.10
Broker loan rate	7¼	Three month	5.10	Five year	6.26
Fed.funds	5½	Six month	5.35	10-year	6.38
Fed.funds at intervention	-	One year	5.60	30-year	6.68

BENCHMARK EUROBONDS

Sep 11	Red date	Coupon	S & P Rating	Bid price	Bid yld	Day's chge yld	Mth's chge yld	Spread v Govts
■ [illegible]								
EIB	02/07	5.750	AAA	100.6800	5.67	+0.04	-	-
Spain	01/07	5.750	AA	100.0300	5.74	+0.06	–0.03	+0.07
Philip Morris	03/04	5.375	A	98.8800	5.58	+0.02	+0.01	+0.31
ABN Amro	09/05	3.000	n/a	89.5509	5.68	+0.02	–0.02	+0.15
■ [illegible]								
Austria	01/04	5.500	AAA	101.9400	5.13	+0.03	+0.01	+0.03
Abbey Nat	02/04	6.000	AA	104.1800	5.21	+0.03	–0.02	+0.05
Cred Foncier	02/04	9.125	A	119.0700	5.51	+0.03	+0.02	+0.35
Abbey Nat	09/06	5.340	AAr	100.8916	5.21	+0.02	–0.06	–0.23
■ [illegible]								
EIB	02/07	7.000	AAA	104.0000	6.41	–0.02	–0.20	+0.02
Abbey Nat	02/02	6.800	AA	102.8750	6.03	–0.01	–0.14	–0.02
Walt Disney	06/00	8.625	n/a	105.7500	6.26	+0.10	–0.31	–0.40
Abbey Nat	03/07	8.000	AAr	100.0862	7.70	–0.02	–0.13	+1.31
■ [illegible]								
EIB	12/07	7.625	AAA	102.9468	7.20	-	–0.10	+0.25
Dresdner Bk	12/07	7.750	n/a	100.9487	7.61	+0.01	–0.06	+0.66
RBS	01/07	8.375	n/a	103.9442	7.78	-	–0.11	+0.81
Abbey Nat	02/02	7.400	AA	99.9879	6.95	-	+0.22	+0.01
■ [illegible]								
EIB	04/07	7.250	AAA	103.2538	6.77	+0.01	–0.13	+0.39
ABN Amro	06/07	7.125	AA–	100.6473	7.03	+0.01	+0.07	+0.65
Quebec	01/07	7.000	A+	99.9207	7.01	+0.04	–0.11	+0.63
Citicorp	02/04	5.781	A+	99.5788	5.88	+0.02	–0.07	–0.45
■ [illegible]								
Bayer L-Bk	08/04	9.500	AAA	118.7441	6.09	+0.03	+0.02	–0.19
Toronto	05/04	8.500	AA+	112.7643	6.11	+0.03	-	+0.19
Bell Canada	07/99	10.625	A+	109.8345	4.86	+0.03	–0.22	–0.03
Deutsche Bk	09/02	5.875	AAA	101.1821	5.60	+0.03	+0.09	–0.09
■ [illegible]								
World Bank	03/02	5.250	AAA	117.0800	1.34	–0.01	–0.12	–0.02
Spain	03/02	5.750	AA	119.8500	1.41	+0.02	–0.14	+0.05
Cred Foncier	08/02	4.750	A	113.6060	1.82	+0.01	–0.10	+0.46
Italy	07/99	0.703	AA	100.7117	0.18	+0.01	+0.04	–0.34

London closing. Source: Interactive Data/FT Information
Standard & Poor's ratings. Yields: Local market standard/Annualised basis.

UK BONDS

FTSE Actuaries Govt. Securities

Price Indices UK Gilts	Thu Sep 11	Day's change %	Wed Sep 10	Accrued interest	xd adj. ytd
1 Up to 5 years (18)	119.74	0.03	119.71	2.35	7.47
2 5-15 years (21)	153.88	0.09	153.74	2.92	7.82
3 Over 15 years (4)	184.19	0.15	183.90	7.63	7.09
4 Irredeemables (4)	243.67	0.18	243.23	4.57	8.36
5 All stocks (48)	148.15	0.06	148.03	3.51	7.71
Index-linked					
6 Up to 5 years (2)	207.98	0.09	207.82	2.73	3.03
7 Over 5 years (10)	201.32	0.09	201.14	1.19	4.70
8 All stocks (12)	200.92	0.09	200.75	1.33	4.51

UK Indices

	Low coupon yield Sep 11	Sep 10	Yr. ago	Medium coupon yield Sep 11	Sep 10	Yr. ago	High coupon yield Sep 11	Sep 10	Yr. ago
5 yrs	6.95	6.96	7.20	7.02	7.03	7.28	7.05	7.06	7.33
15 yrs	6.93	6.95	8.12	6.97	6.99	8.13	7.05	7.06	8.12
20 yrs	6.93	6.95	8.22	6.95	6.97	8.21	7.05	7.06	8.23
Irred.†	7.03	7.04	8.26						

	Inflation 5% Sep 11	Sep 10	Yr. ago	Inflation 10% Sep 11	Sep 10	Yr. ago
Up to 5 yrs	3.65	3.67	2.11	2.80	2.81	0.52
Over 5 yrs	3.54	3.56	3.71	3.32	3.32	3.51

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date. Due to system error the All Stocks, Over 15 years & Irredeemables indices will be restated. A further footnote will appear once the data is available.

FT Fixed Interest Indices

	Sep 11	Sep 10	Sep 9	Sep 8	Sep 5	Yr ago	High*	Low*
Govt. Secs. (UK)	97.41	97.34	97.34	97.48	97.25	92.89	97.98	93.31
Fixed Interest	125.89	125.99	125.58	125.82	126.25	112.93	126.68	115.32

© FTSE International Ltd 1997. All rights reserved. * for 1997. Government Securities high since compilation: 127.40 (09/01/35), low 49.18 (03/01/75). Fixed Interest high since compilation: 133.87 (21/01/94), low 50.53 (03/01/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or –	52 week High	52 week Low
Shorts* (Lives up to Five Years)						
Treas 8¾pc 1997‡‡	8.75	-	100	-	102¾	100
Exch 15pc 1997	14.86	8.54	100[illegible]	–[illegible]	109[illegible]	100[illegible]
Treas 4⅝pc 1998‡‡	4.01	6.58	115[illegible]	-	115[illegible]	113¾
Exch 9¾pc 1998	9.65	6.91	100[illegible]	-	104[illegible]	100[illegible]
Treas 7¼pc 1998‡‡	7.24	7.00	100[illegible]	–[illegible]	109[illegible]	100[illegible]
Treas 15½pc '98‡‡	14.30	7.01	108[illegible]	-	117[illegible]	108[illegible]
Exch 12pc 1998	11.38	7.06	105[illegible]	-	111[illegible]	105[illegible]
Treas 9½pc 1999‡‡	9.21	6.98	103[illegible]	-	108[illegible]	97[illegible]
Treas Flg Rate 1999‡‡	-	-	100[illegible]xd	+[illegible]	100[illegible]	99[illegible]
Exch 12¼pc 1999	11.40	7.04	107[illegible]	-	113[illegible]	107[illegible]
Treas 10½pc 1999	9.96	7.00	105[illegible]	+[illegible]	110[illegible]	105[illegible]
Treas 6pc 1999‡‡	6.10	6.90	98[illegible]	-	99[illegible]	95[illegible]
Conv 10¼pc 1999	9.63	7.00	106[illegible]	-	110½	106[illegible]
Treas 8½pc 2000	8.24	7.05	103[illegible]	-	104[illegible]	102[illegible]
Conv 9pc 2000‡‡	8.62	7.03	104[illegible]	-	107½	103[illegible]
Treas 13pc 2000	11.30	7.04	115	-	120[illegible]	114[illegible]
Treas 14pc 1998-1	12.39	7.02	104[illegible]	-	112[illegible]	104[illegible]
Treas 8pc 2000‡‡	7.77	6.97	102[illegible]	-	104[illegible]	102
Treas Flg Rate 2001	-	-	100[illegible]	+[illegible]	100[illegible]	99[illegible]
Treas 10pc 2001	9.18	7.03	108[illegible]	-	112[illegible]	98[illegible]
Conv 9¾pc 2001‡‡	8.79	7.05	108[illegible]	-	109[illegible]	107[illegible]
Conv 9¾pc 2001	8.94	7.05	109[illegible]	-	110[illegible]	108[illegible]
Treas 7pc 2001‡‡	7.00	6.97	100[illegible]	+[illegible]	101[illegible]	98[illegible]
Exch 12pc 1999-2	11.30	7.09	106[illegible]	-	108[illegible]	106[illegible]
Conv 10pc 2002	8.98	7.04	111[illegible]	+[illegible]	112[illegible]	109[illegible]
Treas 7pc 2002‡‡	6.98	6.93	100[illegible]	+[illegible]	101[illegible]	97[illegible]
Five to Fifteen Years						
Conv 9½pc 2002	8.65	7.05	109[illegible]	-	110[illegible]	108[illegible]
Treas 9¾pc 2002	8.77	7.04	111[illegible]	+[illegible]	122[illegible]	109[illegible]
Exch 9pc 2002	8.31	7.06	108[illegible]	-	109[illegible]	106[illegible]
Conv 9¾pc 2003‡‡	8.68	7.05	117[illegible]	-	113[illegible]	110[illegible]
Treas 8pc 2003‡‡	7.64	6.97	104[illegible]	+[illegible]	105[illegible]	102[illegible]
Treas 13¾pc 2000-3	11.74	7.05	117[illegible]	-	119[illegible]	116[illegible]
Treas 10pc 2003	8.75	7.03	114[illegible]	+[illegible]	118[illegible]	111[illegible]
Treas 11½pc 2001-4	10.12	7.05	113[illegible]xd	+[illegible]	121[illegible]	113[illegible]
Treas 10pc 2004	8.66	7.05	115½	+[illegible]	116[illegible]	113
Funding 3½pc 1999-4	4.02	5.81	87[illegible]	+[illegible]	87[illegible]	81[illegible]
Conv 9½pc 2004	8.35	6.99	113[illegible]	+[illegible]	114[illegible]	109[illegible]
Treas 6¾pc 2004‡‡	6.83	6.95	98[illegible]	+[illegible]	98[illegible]	94[illegible]
Conv 9½pc 2005	8.31	7.02	114[illegible]	+[illegible]	122[illegible]	110[illegible]
Exch 10½pc 2005	8.68	7.04	120[illegible]xd	+[illegible]	121[illegible]	117[illegible]
Treas 12½pc 2003-5	9.85	7.04	126[illegible]	+[illegible]	129[illegible]	124[illegible]
Treas 8½pc 2005‡‡	7.78	6.99	109[illegible]	+[illegible]	109[illegible]	104[illegible]
Conv 9¾pc 2006	8.25	7.02	118[illegible]	+[illegible]	118[illegible]	113[illegible]
Treas 7½pc 2006‡‡	7.25	6.98	103[illegible]	+[illegible]	103[illegible]	97[illegible]
Treas 7¾pc 2006‡‡	7.43	7.01	104[illegible]	+[illegible]	107[illegible]	97[illegible]
Treas 8pc 2002-6‡‡	7.72	7.11	103[illegible]	+[illegible]	104[illegible]	100[illegible]
Treas 11¾pc 2003-7	8.74	7.04	120[illegible]	+[illegible]	123[illegible]	115[illegible]
Treas 8½pc 2007‡‡	7.70	7.01	110[illegible]	+[illegible]	111[illegible]	104[illegible]
Treas 7¼pc 2007‡‡	7.16	6.94	102[illegible]	+[illegible]	102[illegible]	96[illegible]
Treas 13½pc 2004-8	10.14	7.07	133[illegible]	+[illegible]	134[illegible]	131[illegible]
Treas 9pc 2008‡‡	7.81	6.98	115[illegible]	+[illegible]	116	109[illegible]
Treas 8pc 2009	7.40	6.99	108[illegible]	+[illegible]	108[illegible]	99[illegible]
Treas 6¼pc 2010‡‡	6.68	7.00	93[illegible]	+[illegible]	96[illegible]	84[illegible]
Conv 9pc Ln 2011‡‡	7.66	7.00	117[illegible]	+[illegible]	118[illegible]	107[illegible]
Treas 9pc 2012‡‡	7.62	7.01	118[illegible]xd	+[illegible]	119[illegible]	105[illegible]
Over Fifteen Years						
Treas 5½pc 2008-12‡‡	6.24	6.82	88[illegible]	+[illegible]	89[illegible]	78[illegible]
Treas 8pc 2013‡‡	7.30	6.99	109[illegible]	+[illegible]	110½	97[illegible]
Treas 7¾pc 2012-15‡‡	7.28	7.01	106[illegible]	+[illegible]	107[illegible]	95[illegible]
Treas 8pc 2015‡‡	7.21	6.92	110[illegible]	+[illegible]	111[illegible]	98[illegible]
Treas 8¾pc 2017‡‡	7.35	6.96	119[illegible]	+[illegible]	120[illegible]	103[illegible]
Exch 12pc 2013-17	8.12	7.03	147[illegible]	+[illegible]	148[illegible]	136[illegible]
Treas 8pc 2021‡‡	7.09	6.89	112[illegible]	+[illegible]	113[illegible]	98[illegible]
Undated						
Consols 4pc	7.25	-	55[illegible]	+[illegible]	55[illegible]	47[illegible]
War Loan 3½pc‡‡	6.97	-	50[illegible]	+[illegible]	50[illegible]	42[illegible]
Conv 3½pc '61 Aft.	5.22	-	67[illegible]	+[illegible]	67[illegible]	59[illegible]
Treas 3pc '66 Aft.	7.37	-	40[illegible]	+[illegible]	41[illegible]	35[illegible]
Consols 2½pc	7.00	-	35[illegible]	+[illegible]	36[illegible]	30[illegible]
Treas. 2½pc	7.12	-	35[illegible]	+[illegible]	35[illegible]	30[illegible]

Index-Linked (b)	Notes	Yield (1)	Yield (2)	Price £	+ or –	52 week High	52 week Low
For Treas 4 5/8pc 1998 see Shorts							
2½pc '99		1.01	3.23	183[illegible]	+[illegible]	183[illegible]	179[illegible]
2½pc '01	(78.3)	2.90	3.65	188[illegible]	+[illegible]	188[illegible]	182[illegible]
2½pc '03	(78.8)	3.09	3.62	184[illegible]	+[illegible]	184[illegible]	178[illegible]
4⅜pc '04‡‡	(135.6)	3.14	3.60	118[illegible]	+[illegible]	120[illegible]	116[illegible]
2pc '06	(69.5)	3.24	3.59	194[illegible]	+[illegible]	195[illegible]	186[illegible]
2½pc '09	(78.8)	3.25	3.53	178[illegible]	+[illegible]	178[illegible]	167
2½pc '11	(74.6)	3.28	3.53	182[illegible]	+[illegible]	183[illegible]	172[illegible]
2½pc '13	(89.2)	3.31	3.52	151[illegible]	+[illegible]	151[illegible]	141[illegible]
2½pc '16	(81.6)	3.32	3.52	161[illegible]	+[illegible]	161[illegible]	150[illegible]
2½pc '20	(83.0)	3.37	3.54	155[illegible]	+[illegible]	155[illegible]	143[illegible]
2½pc '24‡‡	(97.7)	3.36	3.53	129[illegible]	+[illegible]	129[illegible]	118[illegible]
4⅛pc '30‡‡	(135.1)	3.38	3.53	126[illegible]	+[illegible]	126[illegible]	117[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for January 1997: 154.4 and for August 1997: 158.5.

Other Fixed Interest

Notes	Yield Int	Yield Red	Price £	+ or –	52 week High	52 week Low
Asian Dev 10¼pc 2009	8.41	7.39	121[illegible]	-	123[illegible]	116[illegible]
B'ham 11½pc 2012	8.61	7.80	133½	-	134½	123
Leeds 13½pc 2006	9.82	-	137½xd	-	141½	131½
Liverpool 3½pc Ired.	7.78	-	45xd	-	48	37½
LCC 3pc '20 Aft.	7.89	-	38	-	39	32½
Manchester 11½pc 2007	9.09	7.78	126½	-	128½	120½
Met. Wtr. 3pc 'B'	3.66	6.55	82	-	82	75½
N'wide Anglia 3⅞pc 2021	-	3.94	148[illegible]	-	150[illegible]	139½
4⅝pc IL 2024	-	4.39	142	-	145[illegible]	134

● "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock. Prospective real index-Linked redemption yields are calculated by HSBC Greenwell from Bank of England closing prices. ✱ Indicative price.

CURRENCIES AND MONEY

German inflation fear helps D-Mark

MARKETS REPORT

By Simon Kuper

The D-Mark rose against the dollar yesterday, as prospects of a rise in German interest rates pushed the currency through various technical levels.

Otmar Issing, chief economist at the Bundesbank, said the trend towards lower inflation in Germany had ended. "Indicators are going in the wrong direction," he said. "It is not a dramatic change, but the trend has changed and we in the Bundesbank are concerned about that." He said M3 money supply growth had to slow further.

The 2.9 per cent rise in German second-quarter GDP reported earlier this week has made the market more bullish about the D-Mark. Philip Shaw, chief economist at Investec in London, said there seemed to be a gathering belief within the Bundesbank that its "super-easy monetary stance" had to be tightened. "We are probably close to the top of the unemployment cycle in west Germany," he said.

The D-Mark accelerated to DM1.7795 against the dollar in late trading after the European close yesterday, 2.2 pfennigs above Wednesday's London close. It was helped by moves through the DM1.7880 and DM1.7840 levels. The D-Mark had traded in a range of DM1.80-DM1.85 against the dollar for weeks.

Although the dollar fell against the D-Mark, it rose against the yen. The Japanese currency was hit by data showing that Japan's gross domestic product fell by an annualised 11.2 per cent in the second quarter, the sharpest fall since 1974.

The yen's elide was restrained only by a surge in Japan's trade surplus in July, which added to fears that the US would seek to strengthen the yen as a way of reducing the surplus. Washington has said it will raise the trade issue at the Group of Seven industrialised nations meetings starting in Hong Kong on September 20. Strategists said Japan seemed to be working on measures to stimulate domestic economic demand, as the US bas requested.

The yen fell Y0.7 against the dollar to Y119.8. Against the D-Mark it lost Y0.71 to Y66.85. The pound fell 1.3 pfennigs against the D-Mark to DM2.845.

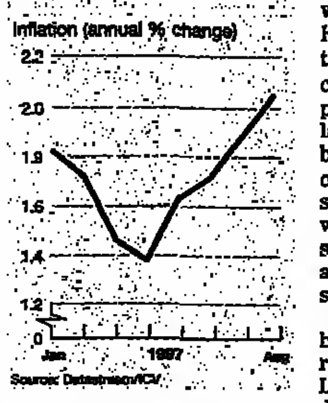
■ Pound in New York

Sep 11	Latest	Prev. close
£ spot	1.5845	1.5855
1 mth	1.5828	1.5835
3 mth	1.5888	1.5798
1 yr	1.5742	1.5850

■ South east Asian currencies fell yesterday, as the market decided that Malaysia's stated plans to reduce its current account and trade deficits lacked substance. The region's stock markets were also hit by profit taking and by Wednesday's fall in Wall Street.

In late US trading yesterday the Malaysian ringgit was at M$2.9550 to the dollar, down from M$2.9220/70 late on Wednesday. The Indonesian rupiah was at 2,945 against the dollar, down from 2,915/25 at the Jakarta opening.

Germany



Source: Datastream/ICV

■ "Never confuse motion with action," Ernest Hemingway is said to have told Marlene Dietrich. The currency markets today offer plenty of motion – the dollar, D-Mark and yen are bobbing up and down against one another – but it does not seem to he leading anywhere. When the dollar rises sharply, it soon comes down again just as fast. We are seeing bumpy range-trading.

Avinasb Persaud, global head of foreign exchange research at J.P. Morgan in London, believes the lack of direction is due to the many unresolved issues troubling the market. Investors have little idea as to whether Germany will raise interest rates; whether the trade dispute between Tokyo and Waehington will affact exchange rates; or when the south east Asian crisis will cease, and how much it will damage the Japanese economy. "In this mire of uncertainty," Mr Persaud says, "investors are concluding that the best trade is no trade." So they are closing their long positions, which are mostly beld in dollars, and not putting on any new bets. He says the uncertainty may portend a major turning point: perhaps an end to the dollar's rise of the last 30 months.

Micbael Wallace, senior currency economist at MMS International in London, expects the G7 meetings to resolve some of the uncertainty. He thinks that Japan end the US will make up on trade, thus boosting the dollar; and that the G7 will try to etem the Asian crisis, helping the south east Asian currencies.

■ OTHER CURRENCIES

Sep 11	£	$
Czech Rp	53.4275 - 53.5326	33.6530 - 33.6960
Hungary	310.947 - 311.207	195.860 - 195.900
Iran	4765.80 - 4762.80	3000.00 - 3000.00
Kuwait	0.4837 - 0.4842	0.3047 - 0.3048
Poland	5.5248 - 5.5331	3.4800 - 3.4830
Russia	9279.52 - 9288.54	5845.00 - 5847.00
U.A.E.	5.8308 - 5.8351	3.6727 - 3.6731

WORLD INTEREST RATES

MONEY RATES

September 11	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	3¾	3 5/16	3⅜	3¾	3 7/16	6.00	2.50	-
France	3⅜	3¼	3¼	3¼	3⅜	3.10	-	4.75
Germany	3⅛	3⅛	3¼	3 5/16	3½	4.50	2.50	3.00
Ireland	6⅛	6⅜	6⅜	6⅜	6	-	-	6.75
Italy	6 11/16	6¾	6 11/16	6⅝	6⅝	7.75	6.25	6.02
Netherlands	3⅜	3⅜	3 11/32	3½	3 9/16	-	2.50	3.00
Switzerland	1⅛	1⅝	1 19/32	1½	1 9/16	-	1.00	-
US	5½	5 19/32	5 21/32	5 13/16	6	-	5.00	-
Japan	⅜	½	½	⅝	⅝	-	0.50	-
■ $ LIBOR FT London								
Interbank Fixing	-	5 21/32	5 23/32	5 27/32	6 1/32	-	-	-
US Dollar CDs	-	5.44	5.48	5.57	5.77	-	-	-
ECU Linked Ds	-	4⅜	4¼	4 11/32	4 13/32	-	-	-
SDR Linked Ds	-	3⅝	3⅝	3¾	3 29/32	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo Mitsubishi, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Sep 11	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3½ - 3⅜	3 7/16 - 3 5/16	3½ - 3⅜	3 15/32 - 3 13/32	3 11/16 - 3 9/16	3 27/32 - 3 23/32
Danish Krone	3 19/32 - 3¼	3 19/32 - 3½	3 17/32 - 3 13/32	3⅝ - 3 15/32	3 13/16 - 3 23/32	4 1/16 - 3 15/16
German Mark	3⅛ - 3 1/32	3⅛ - 3 1/32	3 3/16 - 2 13/16	3 11/32 - 3 7/32	3 15/32 - 3 11/32	3 23/32 - 3 19/32
Dutch Guilder	3 5/16 - 3 3/16	3 5/16 - 3 5/16	3 11/32 - 3 7/32	3 13/32 - 3 9/32	3 17/32 - 3 13/32	3 25/32 - 3 21/32
French Franc	3¼ - 3⅛	3⅜ - 3⅛	3⅜ - 3 7/32	3⅜ - 3¼	3 17/32 - 3 13/32	3 11/16 - 3 9/16
Portuguese Esc.	5 9/32 - 5 7/32	5 15/32 - 5 11/32	5 7/16 - 5⅜	5 13/32 - 5⅜	5 5/16 - 5¼	5 7/32 - 5 5/32
Spanish Peseta	5 7/32 - 5⅛	5¼ - 5 5/32	5¼ - 5⅛	5 7/32 - 5⅛	5⅛ - 5 1/32	5⅛ - 5
Sterling	7 - 6 13/16	7 1/16 - 6 15/16	7⅛ - 7 1/16	7 9/32 - 7 5/32	7 13/32 - 7 9/32	7½ - 7 7/16
Swiss Franc	1⅜ - ⅞	1⅛ - 1	1 5/16 - 1 3/16	1 7/16 - 1 5/16	1 11/32 - 1 9/32	1 19/32 - 1 15/32
Canadian Dollar	3⅜ - 3⅛	3 11/32 - 3 7/32	3 7/16 - 3 5/16	3⅝ - 3½	3⅞ - 3¾	4 11/32 - 4 7/32
US Dollar	5 9/16 - 5 7/16	5⅝ - 5 17/32	5⅝ - 5 9/16	5 21/32 - 5⅝	5 13/16 - 5¾	6 1/16 - 5 31/32
Italian Lira	7 1/16 - 6 7/16	6 27/32 - 6 21/32	6 27/32 - 6 23/32	6 13/16 - 6 11/16	6 11/16 - 6⅝	6⅜ - 6 9/32
Japanese Yen	15/32 - 7/16	17/32 - 15/32	9/16 - 15/32	7/16 - 7/16	9/16 - 15/32	19/32 - 15/32
Asian $Sing	3⅜ - 3¼	3 13/16 - 3 11/16	4 1/16 - 3 15/16	4 3/16 - 4 1/16	4 3/16 - 4 1/16	4 3/16 - 4 1/16

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH PIBOR FUTURES (MATIF) Paris Interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	96.60	96.59	-	96.61	96.59	8,532	43,138
Dec	96.48	96.48	-0.01	96.51	96.46	18,937	45,525
Mar	96.36	96.32	-0.02	96.37	96.31	8,900	31,906

■ THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	96.72	96.72	-	96.73	96.71	22581	186379
Dec	96.52	96.51	-	96.54	96.49	39786	288578
Mar	96.38	96.34	-0.02	96.39	96.32	48692	274960
Jun	96.17	96.13	-0.03	96.19	96.11	48310	217987

■ ONE MONTH EUROMARK FUTURES (LIFFE)* DM3m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep		96.81	-			0	398
Oct		96.75	+0.02			0	265
Nov		96.69	-			0	60
Dec		96.50	+0.01			0	740

■ THREE MONTH EUROLIRA FUTURES (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	93.18	93.20	+0.02	93.21	93.18	7830	70077
Dec	93.52	93.55	+0.04	93.55	93.49	17449	110643
Mar	93.97	94.02	+0.05	94.02	93.96	12163	69577
Jun	94.39	94.43	+0.08	94.44	94.38	12407	58242

■ THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	98.55	98.55	+0.02	98.57	98.52	9224	48108
Dec	98.23	98.21	-	98.24	98.17	15514	67745
Mar	98.03	98.00	-0.01	98.04	97.97	4718	32465
Jun	97.81	97.78	-0.01	97.82	97.74	1823	14778

■ THREE MONTH EUROYEN FUTURES (LIFFE) Y100m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec		99.40	-			0	n/a
Mar		99.36	+0.01			0	n/a
Jun		99.26	+0.01			0	n/a

■ THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	95.66	95.66	-	95.66	95.65	443	9418
Dec	95.61	95.59	-	95.61	95.58	930	9813
Mar	95.53	95.51	-0.01	95.53	95.49	648	6358
Jun	95.47	95.47	-	95.47	95.45	18	3537

* LIFFE futures also traded on APT

■ EUROLIRA OPTIONS (LIFFE) L1000m points of 100%

Strike Price	CALLS Sep	CALLS Dec	CALLS Mar	PUTS Sep	PUTS Dec	PUTS Mar
9300	0.21	0.58	1.06	0.01	0.03	0.04
9325	0.02	0.36	0.84	0.07	0.06	0.07
9350	0.01	0.19	0.62	0.31	0.14	0.10

Est. vol. total, Calls 6294 Puts 486. Previous day's open int., Calls 164682 Puts 73133

POUND SPOT FORWARD AGAINST THE POUND

Sep 11		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	20.0217	-0.0679	103 - 330	20.1245	19.9731	19.9873	3.3	19.8546	3.3	19.3491	3.4	102.3
Belgium	(BFr)	58.7311	-0.2304	729 - 893	59.1610	58.6100	58.5511	3.7	58.1811	3.7	56.4311	3.9	102.0
Denmark	(DKr)	10.8318	-0.0518	263 - 363	10.8909	10.8088	10.7998	3.5	10.7358	3.5	10.4443	3.6	104.3
Finland	(FM)	8.5244	-0.0261	162 - 325	8.6110	8.4960	8.4991	3.6	8.4466	3.7	8.2339	3.4	81.4
France	(FFr)	9.5612	-0.0492	566 - 658	9.6152	9.5418	9.5282	4.1	9.4712	3.8	9.1957	3.8	104.9
Germany	(DM)	2.8451	-0.0126	436 - 466	2.8609	2.8384	2.8357	3.9	2.8167	4.0	2.7298	4.1	102.9
Greece	(Dr)	447.622	-2.062	402 - 842	450.568	447.060	449.405	-4.8	452.029	-3.9	460.397	-2.9	65.3
Ireland	(I£)	1.0583	-0.0032	571 - 594	1.0636	1.0567	1.0578	0.6	1.0564	0.7	1.0455	1.2	101.0
Italy	(L)	2776.09	-13.98	443 - 776	2791.02	2772.49	2776.17	0.0	2776.14	0.0	2773.54	0.1	78.3
Luxembourg	(LFr)	58.7311	-0.2304	729 - 893	59.1610	58.6100	58.5511	3.7	58.1811	3.7	56.4311	3.9	102.0
Netherlands	(Fl)	3.2046	-0.0144	030 - 061	3.2218	3.1981	3.1944	3.8	3.1735	3.9	3.0775	4.0	101.4
Norway	(NKr)	11.6998	-0.0787	927 - 069	11.7994	11.6218	11.6673	3.3	11.6066	3.2	11.3373	3.1	87.9
Portugal	(Es)	289.130	-0.766	959 - 300	290.301	288.088	288.974	0.6	288.444	0.9	284.356	1.7	92.3
Spain	(Pta)	239.676	-1.386	521 - 831	241.060	239.510	239.381	1.8	238.611	1.9	234.241	2.3	77.0
Sweden	(SKr)	12.3783	+0.0215	704 - 862	12.4378	12.3112	12.3508	2.7	12.2923	2.8	12.0358	2.8	85.9
Switzerland	(SFr)	2.3463	-0.0047	449 - 476	2.3546	2.3384	2.3354	5.6	2.3128	5.7	2.2125	5.7	105.9
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	99.7
Ecu	-	1.4510	+0.0065	499 - 521	1.4585	1.4489	1.4477	2.7	1.4405	2.9	1.4065	3.1	-
SDR†	-	1.16787	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5878	+0.0018	873 - 883	1.5917	1.5847	-	-	-	-	-	-	-
Brazil	(R$)	1.7339	+0.0028	332 - 346	1.7375	1.7303	-	-	-	-	-	-	-
Canada	(C$)	2.2095	+0.0135	084 - 105	2.2124	2.1992	2.2026	3.7	2.189	3.7	2.1381	3.2	84.4
Mexico	(New Peso)	12.3555	+0.0252	436 - 673	12.3680	12.3273	-	-	-	-	-	-	-
USA	($)	1.5881	+0.0018	876 - 886	1.5920	1.5850	1.586	1.9	1.5822	1.5	1.5674	1.3	105.7
Pacific/Middle East/Africa													
Australia	(A$)	2.2082	+0.0279	047 - 076	2.2099	2.1756	2.2026	2.0	2.1942	2.2	2.1572	2.2	81.1
Hong Kong	(HK$)	12.3007	+0.0148	960 - 053	12.3292	12.2781	12.2997	0.1	12.2933	0.2	12.2382	0.5	-
India	(Rs)	58.0213	+0.0182	792 - 633	58.1680	57.9480	58.2165	-4.0	58.617	-4.1	60.2968	-3.8	-
Israel	(Shk)	5.5652	-0.0054	558 - 746	5.6012	5.5528	-	-	-	-	-	-	-
Japan	(Y)	190.207	+1.207	068 - 346	190.480	188.310	189.187	6.4	187.182	6.4	178.177	6.3	129.0
Malaysia	(M$)	4.6843	+0.0251	580 - 705	4.6955	4.6248	4.6885	-1.1	4.6765	-1.1	4.6952	-0.7	-
New Zealand	(NZ$)	2.5087	+0.0131	069 - 104	2.5168	2.4983	2.5118	-1.5	2.5157	-1.1	2.5163	-0.3	107.1
Philippines	(Peso)	51.6610	+0.82	065 - 154	52.1465	51.2624	51.8209	-3.7	52.0703	-3.2	53.1273	-2.8	-
Saudi Arabia	(SR)	5.9562	+0.0066	541 - 582	5.9700	5.9447	5.9527	0.7	5.9443	0.8	5.9078	0.8	-
Singapore	(S$)	2.3997	+0.0075	981 - 012	2.4050	2.3883	2.3951	2.3	2.385	2.5	2.3368	2.6	-
South Africa	(R)	7.4609	+0.0013	562 - 656	7.4856	7.4518	7.5216	-9.8	7.6395	-8.6	8.0764	-8.3	-
South Korea	(Won)	1443.58	+1.63	995 - 721	1447.35	1439.75	-	-	-	-	-	-	-
Taiwan	(T$)	45.4395	+0.0522	244 - 546	45.5503	45.3516	45.423	0.4	45.3892	0.5	45.1855	0.8	-
Thailand	(Bt)	56.3380	+0.0243	217 - 542	56.5550	54.1170	56.6746	-7.2	57.1362	-5.7	58.1664	-3.2	-

1 Rates for Sep 10. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T. The exchange rates printed in this table are also available on the internet at http://www.FT.com

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Sep 11		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P Morgan index
Europe													
Austria	(Sch)	12.6073	-0.0697	041 - 105	12.6520	12.5689	12.5839	2.3	12.5343	2.3	12.3103	2.4	101.9
Belgium	(BFr)	36.9820	-0.225	570 - 070	37.2150	36.8870	36.907	2.4	36.7555	2.4	36.062	2.5	101.9
Denmark	(DKr)	6.8203	-0.0404	193 - 213	6.8457	6.8087	6.8086	2.1	6.7843	2.1	6.6779	2.1	103.4
Finland	(FM)	5.3677	-0.0225	642 - 711	5.4190	5.3415	5.3562	2.9	5.3326	2.6	5.2387	2.4	80.7
France	(FFr)	6.0205	-0.0379	195 - 215	6.0488	6.0105	6.009	2.3	5.9851	2.3	5.8763	2.4	104.2
Germany	(DM)	1.7915	-0.01	911 - 918	1.7995	1.7870	1.7877	2.6	1.7799	2.6	1.745	2.6	102.3
Greece	(Dr)	281.860	-1.62	810 - 910	283.290	281.230	283.155	-5.5	285.21	-4.9	292.36	-3.7	64.9
Ireland	(I£)	1.5007	+0.0063	995 - 018	1.5037	1.4930	1.4999	0.6	1.499	0.5	1.4994	0.1	-
Italy	(L)	1748.06	-10.8	758 - 856	1755.90	1745.21	1749.83	-1.2	1752.84	-1.1	1756.26	-0.5	75.8
Luxembourg	(LFr)	36.9820	-0.225	570 - 070	37.2150	36.8870	36.907	2.4	36.7555	2.4	36.062	2.3	101.8
Netherlands	(Fl)	2.0179	-0.0114	175 - 182	2.0272	2.0127	2.0137	2.5	2.0051	2.5	1.9674	2.5	101.2
Norway	(NKr)	7.3672	-0.0567	650 - 693	7.4238	7.3205	7.3528	2.4	7.3243	2.3	7.2126	2.1	96.5
Portugal	(Es)	182.060	-0.89	010 - 110	182.550	181.310	182.024	0.2	181.97	0.2	180.9	0.7	92.8
Spain	(Pta)	150.920	-1.045	870 - 970	151.680	150.850	150.875	0.4	150.7	0.6	149.525	0.9	76.5
Sweden	(SKr)	7.7944	+0.0047	819 - 069	7.8163	7.7506	7.7854	1.4	7.766	1.5	7.692	1.3	85.6
Switzerland	(SFr)	1.4774	-0.0047	770 - 778	1.4797	1.4720	1.4721	4.3	1.4614	4.3	1.4159	4.2	105.9
UK	(£)	1.5881	+0.0018	876 - 886	1.5920	1.5850	1.586	1.6	1.5822	1.5	1.5674	1.3	99.7
Ecu	-	1.0945	+0.0061	940 - 950	1.0958	1.0805	1.0959	-1.8	1.0992	-1.7	1.1147	-1.9	-
SDR†	-	0.738989	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9998	-	998 - 998	0.9998	0.9998	-	-	-	-	-	-	-
Brazil	(R$)	1.0918	+0.0005	917 - 919	1.0918	1.0917	-	-	-	-	-	-	-
Canada	(C$)	1.3913	+0.0069	910 - 915	1.3918	1.3867	1.3881	2.7	1.3824	2.5	1.3619	2.1	84.7
Mexico	(New Peso)	7.7800	+0.007	750 - 850	7.7870	7.7720	7.8885	-16.7	8.0995	-16.4	9.01	-15.6	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	106.3
Pacific/Middle East/Africa													
Australia	(A$)	1.3892	+0.016	887 - 897	1.3901	1.3726	1.3886	0.5	1.3868	0.7	1.3784	0.8	93.4
Hong Kong	(HK$)	7.7455	+0.0005	450 - 460	7.7465	7.7450	7.746	-0.1	7.7469	-0.1	7.7492	0.0	-
India	(Rs)	36.5350	-0.03	200 - 500	36.5800	36.5150	36.6725	-4.5	36.9575	-4.6	38.17	-4.5	-
Israel	(Shk)	3.5043	-0.0074	995 - 091	3.5250	3.4990	-	-	-	-	-	-	-
Japan	(Y)	119.770	+0.825	720 - 820	119.850	118.580	118.255	5.2	118.255	5.1	113.965	4.8	130.8
Malaysia	(M$)	2.9370	+0.0125	340 - 400	2.9550	2.9150	2.9415	-1.8	2.9505	-1.8	2.9805	-1.5	-
New Zealand	(NZ$)	1.5797	+0.0065	790 - 803	1.5809	1.5782	1.5805	-0.6	1.5829	-0.6	1.593	+0.8	-
Philippines	(Peso)	32.5300	+0.48	800 - 800	32.9000	32.2000	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7505	+0.0001	504 - 506	3.7507	3.7504	3.7512	+0.2	3.7522	-0.2	3.7589	-0.2	-
Singapore	(S$)	1.5110	+0.003	105 - 115	1.5133	1.5065	1.5092	1.4	1.5054	1.5	1.486	1.7	-
South Africa	(R)	4.6980	-0.0045	965 - 995	4.7030	4.6960	4.7385	-10.3	4.818	-10.2	5.1205	-9.0	-
South Korea	(Won)	909.000	-	800 - 000	911.000	907.000	-	-	-	-	-	-	-
Taiwan	(T$)	28.6125	+0.0005	120 - 130	28.6150	28.6120	28.6235	-0.5	28.6325	-0.3	28.725	+0.4	-
Thailand	(Bt)	35.4750	-0.025	500 - 000	35.6500	34.1000	35.92	-15.1	36.625	-13.0	37.855	-6.7	-

1 SDR rate per $ for Sep 10. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Sep 10: Base average 1990=100.
The exchange rates printed in this table are also available on the internet at http://www.FT.com

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Sep 11		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.44	16.28	4.844	1.802	4727	5.456	19.92	492.3	408.1	21.08	3.995	1.703	3.762	2.704	323.9	2.471
Denmark	(DKr)	54.22	10	8.827	2.627	0.977	2563	2.959	10.80	266.9	221.3	11.43	2.166	0.923	2.040	1.466	175.6	1.340
France	(FFr)	61.43	11.33	10	2.976	1.107	2904	3.352	12.24	302.4	250.7	12.95	2.454	1.046	2.311	1.661	198.9	1.518
Germany	(DM)	20.64	3.807	3.361	1	0.372	975.8	1.126	4.112	101.6	84.24	4.351	0.825	0.351	0.777	0.558	66.85	0.510
Ireland	(I£)	55.50	10.24	9.035	2.689	1	2623	3.028	11.06	273.2	226.5	11.70	2.217	0.945	2.088	1.501	179.7	1.371
Italy	(L)	2.116	0.390	0.344	0.102	0.038	100	0.115	0.421	10.41	8.634	0.446	0.085	0.036	0.080	0.057	6.852	0.052
Netherlands	(Fl)	18.33	3.380	2.984	0.888	0.330	866.3	1	3.651	90.22	74.79	3.863	0.732	0.312	0.689	0.496	59.35	0.453
Norway	(NKr)	50.20	9.258	8.172	2.432	0.904	2373	2.739	10	247.1	204.9	10.58	2.005	0.855	1.889	1.357	162.6	1.240
Portugal	(Es)	20.31	3.746	3.307	0.984	0.366	960.2	1.108	4.047	100	82.90	4.281	0.812	0.346	0.764	0.549	65.79	0.502
Spain	(Pta)	24.50	4.519	3.989	1.187	0.442	1158	1.337	4.862	120.6	100	5.165	0.979	0.417	0.922	0.663	79.36	0.605
Sweden	(SKr)	47.45	8.750	7.724	2.298	0.855	2243	2.589	9.452	233.6	193.6	10	1.895	0.808	1.785	1.283	153.7	1.172
Switzerland	(SFr)	25.03	4.618	4.075	1.213	0.451	1183	1.366	4.987	123.2	102.2	5.276	1	0.426	0.942	0.677	81.07	0.618
UK	(£)	58.73	10.83	9.561	2.845	1.058	2776	3.205	11.70	289.1	239.7	12.38	2.346	1	2.210	1.588	190.2	1.451
Canada	(C$)	26.58	4.902	4.327	1.288	0.479	1256	1.450	5.295	130.9	108.5	5.602	1.062	0.453	1	0.719	86.06	0.657
USA	($)	36.98	6.820	6.021	1.792	0.666	1748	2.018	7.367	182.1	150.8	7.794	1.477	0.630	1.391	1	119.8	0.914
Japan	(Y)	30.88	5.695	5.027	1.496	0.556	1460	1.685	6.151	152.0	126.0	6.508	1.234	0.526	1.162	0.835	100	0.763
Ecu	-	40.48	7.465	6.589	1.961	0.729	1913	2.209	8.063	199.3	165.2	8.531	1.617	0.689	1.523	1.095	131.1	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.5560	0.5581	+0.0027	0.5599	0.5556	15,751	73,292
Dec	0.5593	0.5616	+0.0029	0.5631	0.5590	35,676	42,334
Mar	-	0.5645	+0.0024	0.5645	-	75	1,746

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.6767	0.6776	+0.0020	0.6788	0.6754	8,047	27,408
Dec	0.6839	0.6850	+0.0021	0.6871	0.6835	17,530	30,380
Mar	-	0.6915	+0.0015	0.6915	-	34	1,153

■ JAPANESE YEN FUTURES (IMM) Yen 12.5m per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	0.8400	0.8401	+0.0018	0.8428	0.8390	11,187	57,006
Dec	0.8497	0.8510	+0.0018	0.8544	0.8496	27,296	59,091
Mar	0.8625	0.8622	+0.0015	0.8625	0.8625	101	767

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	1.5898	1.5864	+0.0006	1.5918	1.5852	4,279	30,148
Dec	1.5804	1.5824	+0.0026	1.5848	1.5792	8,415	24,978
Mar	1.5750	1.5770	+0.0024	1.5770	1.5750	2	212

UK INTEREST RATES

LONDON MONEY RATES

Sep 11	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	7 1/32 - 6½	7 1/16 - 6⅞	7⅛ - 7	7 3/16 - 7 5/32	7 13/32 - 7 5/32	7 9/16 - 7 7/16
Sterling CDs	-	-	7⅛ - 7 1/16	7 3/16 - 7⅛	7 9/32 - 7 7/32	7 7/16 - 7⅜
Treasury Bills	-	-	6 15/16 - 6 13/16	7 - 6⅞	-	-
Bank Bills	-	-	6 15/16 - 6 13/16	6 31/32 - 6 27/32	7 3/16 - 7 1/16	-
Local authority deps.	7 - 6⅞	7 - 6⅞	7 3/16 - 7 1/16	7¼ - 7⅛	7 11/32 - 7 7/32	7 7/16 - 7 5/16
Discount Market deps	7 - 6⅞	6⅞ - 6¾	-	-	-	-

UK clearing bank base lending rate 7 per cent from Aug 7, 1997

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2½	5½	5	5	4¾

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1¼pc. Ave. tender rate of discount on Sep 5, 6.8806pc. ECGD fixed rate Stlg. Export Finance. Make up day Aug 29, 1997. Agreed rate for period Sep 24, 1997 to Oct 25, 1997, Scheme III 8.50pc. Reference rate for period Aug 1, 1997 to Aug 29, 1997, Schemes IV & V 7.229pc. Finance House Base Rate 7½pc from Sep 1, 1997

■ THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	92.72	92.71	-0.01	92.72	92.70	9996	98568
Dec	92.63	92.64	+0.01	92.65	92.62	13115	130260
Mar	92.62	92.63	+0.01	92.64	92.60	13930	108434
Jun	92.64	92.65	+0.01	92.66	92.62	9986	72793
Sep	92.69	92.70	-	92.71	92.68	3851	59797

Also traded on APT. All Open interest figs. are for previous day.

■ SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%

Strike Price	CALLS Sep	CALLS Dec	CALLS Mar	PUTS Sep	PUTS Dec	PUTS Mar
9250	0.21	0.18	0.24	0	0.05	0.11
9275	0.01	0.05	0.10	0.05	0.16	0.22
9300	0	0.01	0.03	0.29	0.37	0.40

Est. vol. total, Calls 1325 Puts 675. Previous day's open int., Calls 214208 Puts 222740

EMS EUROPEAN CURRENCY UNIT RATES

Sep 11	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Ireland	0.798709	0.731715	+0.001022	-8.39	11.75	57
Finland	5.85424	5.89468	+0.00115	0.69	1.66	-5
Italy	1906.48	1920.15	-0.56	0.72	1.65	-5
Portugal	197.398	199.757	+0.083	1.20	1.17	-8
Spain	163.826	165.887	-0.095	1.26	1.11	-9
Denmark	7.34555	7.49006	+0.00193	1.97	0.41	-13
Netherlands	2.16979	2.21533	-0.00115	2.10	0.28	-18
Germany	1.92573	1.96687	-0.00087	2.14	0.24	-21
Austria	13.5485	13.8420	-0.0051	2.17	0.21	-16
Belgium	39.7191	40.6109	-0.0182	2.25	0.13	-16
France	6.45863	6.61244	-0.00429	2.38	0.00	-20
NON ERM MEMBERS						
Greece	295.269	309.679	-0.007	4.88	-2.38	-
UK	0.793103	0.690305	+0.002142	-12.96	17.63	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. 17/9/92: Sterling suspended from ERM. Adjustment calculated by the Financial Times.

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Sep	CALLS Oct	CALLS Nov	PUTS Sep	PUTS Oct	PUTS Nov
1.580	0.78	1.93	2.69	0.26	1.55	2.52
1.585	0.27	1.45	2.27	0.72	2.08	3.08
1.590	0.09	1.06	1.86	1.49	2.64	3.65

Previous day's vol., Calls n/a Puts n/a. Prev. day's open int., Calls n/a Puts n/a

■ PHILADELPHIA SE D-MARK/$ OPTIONS DM62,500 ($ per DM)

Strike Price	CALLS Sep	CALLS Oct	CALLS Nov	PUTS Sep	PUTS Oct	PUTS Nov
0.545	1.01	1.41	-	0.02	0.31	0.54
0.550	0.56	1.06	1.43	0.07	0.45	0.72
0.555	0.23	0.77	1.14	0.21	0.66	0.94

Previous day's vol., Calls n/a Puts n/a. Prev. day's open int., Calls n/a Puts n/a

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	94.27	94.27	-	94.27	94.27	22,625	427,037
Dec	94.08	94.07	-0.01	94.08	94.06	56,284	550,228
Mar	93.96	93.95	-0.02	93.97	93.94	90,947	381,186

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Sep	-	95.03	-	-	-	1,557	1,850
Dec	94.85	94.85	+0.01	94.85	94.84	377	4,137
Mar	-	94.80	-	-	-	79	1,487

All Open interest figs. are for previous day

■ EUROMARK OPTIONS (LIFFE) DM1m points of 100%

Strike Price	CALLS Sep	CALLS Oct	CALLS Nov	CALLS Dec	PUTS Sep	PUTS Oct	PUTS Nov	PUTS Dec
9625	0.47	0.27	0.28	0.29	0	0.01	0.02	0.03
9650	0.22	0.06	0.08	0.10	0	0.05	0.07	0.08
9675	0	0.01	0.02	0.01	0.03	0.25	0.26	0.25
9700	0	0	0	0	0.28	0.49	0.49	0.49
9725	0	0	0	0	0.53	0.74	0.74	0.74

Est. vol. total, Calls 10605 Puts 20521. Previous day's open int., Calls 398519 Puts 305820

■ EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Sep	CALLS Dec	CALLS Mar	PUTS Sep	PUTS Dec	PUTS Mar
9875	0	0.02	0.03	0.20	0.56	0.78
9900	0	0	0.01	0.45	0.79	1.01

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 4425 Puts 3983

BASE LENDING RATES

	%		%		%
Adam & Company	7.00	Duncan Lawrie	7.00	Scottish Widows Bank	7.00
Allied Irish Bank (GB)	7.00	Exeter Bank Limited	8.00	●Singer & Friedlander	7.00
●Henry Ansbacher	7.00	Financial & Gen Bank	8.00	●Smith & Williamson Secs	7.00
Bank of Baroda	7.00	●Robert Fleming & Co	7.00	Sun Banking Corp Ltd	7.00
Banco Bilbao Vizcaya	7.00	●Guinness Mahon	7.00	TSB	7.00
Bank of Cyprus	7.00	Habib Bank AG Zurich	7.00	United Bank of Kuwait	7.00
Bank of Ireland	7.00	●Hambros Bank	7.00	Unity Trust Bank Plc	7.00
Bank of India	7.00	Heritable & Gen Inv Bk	7.00	Whiteaway Laidlaw	7.00
Bank of Scotland	7.00	C. Hoare & Co	7.00	Yorkshire Bank	7.00
Barclays Bank	7.00	Hongkong & Shanghai	7.00		
Brit Bk of Mid East	7.00	Investec Bank (UK) Ltd	7.00		
●Brown Shipley & Co Ltd	7.00	Julian Hodge Bank	7.00		
Citibank NA	7.00	●Leopold Joseph & Sons	7.00		
Clydesdale Bank	7.00	Lloyds Bank	7.00		
The Co-operative Bank	7.00	Midland Bank	7.00		
Coutts & Co	7.00	NatWestminster	7.00		
Cyprus Popular Bank	7.00	●Rea Brothers	7.00		
		Royal Bk of Scotland	7.00		

● Members of London Investment Banking Association
* In administration

Turkmenistan offers oil concessions

By Kevin Done, East Europe Correspondent

Turkmenistan yesterday launched its first international offshore licensing round for oil and gas exploration in the Caspian Sea.

The central Asian republic is offering concessions in 11 blocks in one of the most promising regions for hydrocarbons exploration.

However, the delineation of the Caspian Sea continental shelf is still disputed among the five states bordering the sea – Turkmenistan; Russia, Azerbaijan, Kazakhstan and Iran. At least one of the blocks offered covers territory where Azerbaijan is already seeking to develop an existing discovery.

The Caspian Sea is one of the international oil industry'e most complicated challenges, both because of disputes over the legal status of the Caspian Sea continental shelf and political problems over the routes of export pipelines.

The Turkmen authorities said the five countries were "generally confining exploration and development to areas clearly under their jurisdictioo" and bad agreed to negotiate on a block-by-block basis in cases of dispute.

A Turkmen delegation led by Batyr Sardjaev, minister for oil and gas, and Yolly Gurbanmuradov, deputy prime minister, faced heavy criticism from an Azeri diplomat at a presentation in London yesterday, however, over the status of an area of the continental shelf claimed by both countries.

In July LUKoil and Rosneft, the Russian oil companies, eigned a deal with Socar, Azerbaijan's state oil company, to develop jointly the Kyapaz oil field, which is located along the maritime boundary separating Turkmenistan from Azerbaijan.

Turkmenistan refers to the field as Serdar and yesterday included it in its own licensing round.

US and Russian foreign policy in the region is shifting against the background of potential multi-billion dollar oil and gas deals, and in recent weeks Turkmenistan has succeeded in persuading the Russian government to back its claims over the Kyapaz/Serdar field, leading to the apparent withdrawal of Rosneft from the project.

Israfil Mamedov, oil and gas counsellor at the Azerbaijan embassy in London, insisted the Kyapaz field was in the Azerbaijan sector and that any claims on the field did not "have an international legal basis".

Tenders for the 11 exploration blocks offered by Turkmenistan yesterday must be submitted by November 28. Negotiations with international oil companies are expected to begin in January with the first concessions to be awarded in the early spring.

Toily Kurbanov, executive director of the Hydrocarbon Resources agency, said that a second offshore licensing round could be launched in the second half of 1998 or in early 1999.

IPE plans gas oil restrictions

MARKETS REPORT

By Deborah Hargreaves and Kenneth Gooding

Loodon's International Petroleum Exchange yesterday took steps to tighten supervision of its gas oil market when it proposed restricting traders' open positions to 5,000 lots for the last five working days of each futures contract.

The move, if accepted hy the membership, will eliminate "squeezes" in gas oil futures which occur when trading houses buy np more futures contracts than oil availahle for delivery and force up prices. "It will preserve the integrity of the gas oil futures markets and preserve usere' confidence," said Richard Ward, executive vice-president of business development at the IPE.

Some traders suggested the limits, whicb will restrict holdings to 500,000 tonnes per position, could pusb business into the over-the-counter market. But Mr Ward denied this. "We do not believe these limits will inhibit normal business activity," he said.

The IPE is also setting up, a delivery committee of users to arbitrate in disputes between trading bouses.

Last year, a record delivery of 865,100 tonnes of gas oil against last November's futures contract led to a stand-off between two trading houses: Cargill and AIC, which caused a delay to gas oil supplies.

Oil prices on the IPE edged higher yesterday as diplomatic nicetiee at the UN in New York held up approval of a resolution allowing Iraq to complete its side of the current oil-for-food deal. In afternoon trading Brent blend for October loading was 16 cents a barrel higher at $18.46.

Comments by Robert Wilson, chairman of Rio Tinto, helped spark a 2.6 per cent fall in copper prices on the London Metal Exchange to their lowest this year. At the close, copper for three-month delivery was down $56 a tonne at $2,095.

Mr Wilson said the copper market was in surplus and might move into a higger surplus in the year ahead. "Copper was on the edge of a precipice and this was the kick that belped it fall off the edge," said Robin Bhar, at Brandeis (Brokers).

In the zinc market the premium for metal for immediate delivery, compared with three months, remained high at $190 a tonne.

UK facing poor grain harvest

By Maggie Urry

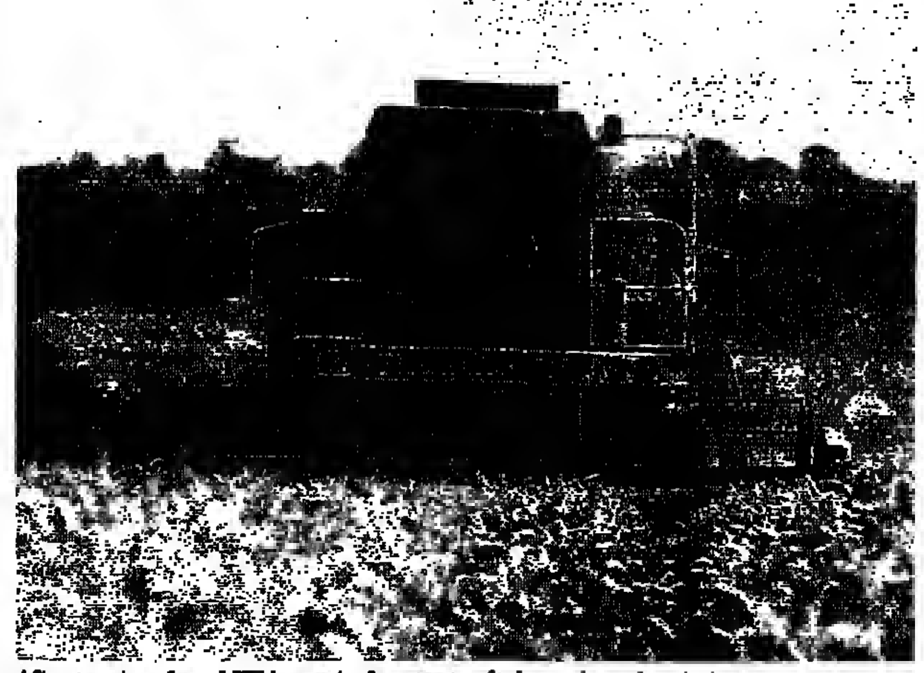
The UK's 1997 grain harvest will be "the most challenging for UK farmers for many years," Paul Kirk, chief executive of Dalgety Agriculture, said yesterday.

Prices were at a 20-year low, he said, and the problems with the quality of the crop were the worst since 1992. Growing conditions were poor, with drought early in the year followed by a cold, wet June. Rain in August delayed the harvest.

With most of the crop now gathered in, Dalgety Agriculture, part of the foods and agribusiness group, forecast the total grain harvest at 23.5m tonnes, down 1m tonnes on 1996, with most of the reduction in wheat. That was in spite of a 4.2 per cent increase in the area planted, following last year's cut in the set aside rate.

Yields have fallen sharply, with the average wheat yield forecast at 7.39 tonnes per hectare, a 10 per cent drop from last year's record level.

Altbough tbe crop is lower, the UK is likely to find exporting the surplus more difficult than last year. Gary Hutchings, in charge of crop marketing at Dalgety Agriculture, said good harvests elsewhere, such as in Russia, eastern Europe and the US, the strength of the pound, and the poor quality of the grain would make it harder to sell.



After a series of good UK harvests, farmers are facing a sharp drop in income Chris Lawson

Low quality will also prevent much of the crop being sold into intervention.

Mr Hntchings predicted markets for 2m tonnes of an exportable surplus of 3.51m tonnes of wheat. Selling the excess would drive prices down. The price of wheat on the futures markets for November delivery has fallen 28 per cent since the peak in April.

He said last year's larger surplus, of 4.85m tonnes, had been sold without problems, but "we are far from confident we can even come remotely close to last year's performance".

He thought the European Commission would be cantious in awarding licences to export grain outside the European Union in case the US retaliated hy reinstituting export subsidies, under the Export Enhancement Program.

After a series of good UK harvests, arable farmers are facing a sbarp drop in income. They are likely to cut back investment in machinery, and to increase plantings for next year, experts at Dalgety said.

COMMODITIES NEWS DIGEST

Rio Tinto chief upbeat on metals

An upbeat outlook for metals and minerals was presented yesterday by David Humphreys, chief economist at Rio Tinto, the world's biggest mining company. He suggested markets would "remain delicately balanced". Demand for industrial materials was increasing faster than general economic growth and there was no evidence it would slow dramatically in 1998, be said. Supplies of many metals and minerals were also very tight and stocks were low.

"Stocks of London Metal Exchange metals stand at levels well below those of 1994, when prices surged, and are not far off those which applied during the late 1980s," he said in a paper presented with Rio's half-year results. "Although stocks data generally omit metal beld under financing deals by banks and the increasingly *important* stocks held in China, for iron ore, Australian ports have seen queueing ships and falling stockpiles. Gold is a clear, if unfortunate, exception, with central banks evidently happy to supply the market with whatever it will absorb from their abundant holdings."

Production increases would relieve the pressure on metals and minerals markets but there would be variations in the rate at which new supplies became available. "Zinc in particular looks set for an interesting ride over the next year," he said.

The overall prospect was for metal and mineral supplies to rise broadly in step with off-take, but Mr Humphreys warned: "With stocks as low as they are, any perception that metals markets are headed for significant disequilibrium will feed rapidly through into prices, particularly if disenchantment with stock and bond markets leads the funds to assume a more aggressive stance."

As for hulk commodities, "iron ore looks to be facing a tight market in 1998 but in the coal market ample supply availability means that high cost producers will continue to struggle." *Kenneth Gooding, London*

Rio Tinto results, UK Companies

■ WEATHER WARNING

El Niño may hit South Africa

South Africa could see next year's maize crop halved and the loss of about R1bn in foreign exchange earnings as a result the El Niño weather pattern, Derek Hanekomn, the country's agriculture minister, said yesterday. "We could see up to a 50 per cent reduction in the maize crop," he said. "It could cost the country over R1bn in foreign exchange. But there is no guarantee about that.

The El Niño weather pattern is caused by a periodic warming of the tropical Pacific Ocean by a few degrees that reverberates globally. In South Africa it is expected to bring drought that would damage the maize crop. Scientists have been predicting an El Niño to rival that of 1982-83, the worst on record, when South Africa'e harvest was cut in half for two succeeding years.

Mr Hanekomn said the National Maize Producers' Organisation had advised farmers to plant later in the season. He added that there would not be drought relief from the government. "If you pay farmers direct subsidies because their crops are reduced by drought, why not pay people direct subsidies because something else reduced their crops," he said. *Reuters, Cape Town*

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1608.5-9.5	1622-3
Previous	1609-10	1627-28
High/low		1532/1615
AM Official	1616-17	1627-28
Kerb close		1619-20
Open int.	260,378	
Total daily turnover	88,568	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1420-30	1445-55
Previous	1416-23	1445-48
High/low		1455/1450
AM Official	1420-25	1450-50.5
Kerb close		1448-50
Open int.	5,028	
Total daily turnover	920	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	634.5-5.5	645-6
Previous	636-7	646-7
High/low		654/638
AM Official	636-7	647.5-8
Kerb close		639-40
Open int.	33,580	
Total daily turnover	5,996	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	6535-45	6630-35
Previous	6570-80	6675-80
High/low		6710/6595
AM Official	6545-50	6640-45
Kerb close		6595-600
Open int.	50,965	
Total daily turnover	13,678	

■ TIN ($ per tonne)

	Cash	3 mths
Close	5415-20	5459-60
Previous	5430-35	5475-80
High/low		5490/5440
AM Official	5415-20	5455-60
Kerb close		5465-70
Open int.	14,717	
Total daily turnover	2,714	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	1629-34	1439-41
Previous	1635-40	1454-55
High/low		1449/1435
AM Official	1650-52	1447.5-48.5
Kerb close		1439-40
Open int.	86,932	
Total daily turnover	16,938	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	2080-82	2101-2
Previous	2128.5-30.5	2147-48
High/low	2126	2165/2092
AM Official	2125-26	2145-46
Kerb close		2096-7
Open int.	138,213	
Total daily turnover	68,110	

■ LME AM Official £/$ rate: 1.5897

LME Closing £/$ rate: 1.5865

Spot: 1.5970 3 mths: 1.5914 6 mths: 1.5858 9 mths: 1.5810

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	93.70	-2.70	96.30	93.60	570	3,490
Oct	94.10	-2.75	96.40	94.10	119	2,816
Nov	95.00	-2.40	97.10	94.70	23	1,586
Dec	94.95	-2.45	97.00	94.40	3,106	25,205
Jan	95.20	-2.20	95.50	95.00	7	824
Feb	95.20	-1.85	95.75	95.00	13	769
Total					4,158	45,944

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	322.50-323.00		
Opening	321.10-321.40		
Morning fix	321.05	202.134	474.351
Afternoon fix	321.65	202.499	474.691
Day's High	322.70-323.00		
Day's Low	320.70-321.00		
Previous close	321.10-321.50		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	3.20	6 months	3.20
2 months	3.20	12 months	3.21
3 months	3.20		

Silver Fix	p/troy oz.	US cts equiv.
Spot	297.95	473.75
3 months	301.50	477.65
6 months	305.75	482.60
1 year	314.35	493.45

Gold Coins	$ price	£ equiv.
Krugerrand	321-323	202-204
Maple Leaf	-	-
New Sovereign	75-77	47-49

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	324.2	+2.5	324.9	324.9	-	-
Oct	325.1	+2.5	326.5	321.7	1,903	15,848
Dec	326.6	+2.5	329.0	323.2	14,134	112.8k
Feb	328.2	+2.5	329.8	324.5	92	15,457
Apr	329.9	+2.5	328.0	326.3	66	5,382
Jun	331.8	+2.5	332.8	328.5	64	8,218
Total					17,529	204,332

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Oct	428.4	+2.2	431.0	425.1	2,522	10,167
Jan	418.4	+2.2	421.5	416.0	381	3,496
Apr	411.4	+0.2	-	-	10	437
Jul	407.4	+0.2	-	-	-	2
Total					2,494	14,102

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	199.55	+4.25	197.00	196.00	27	368
Dec	193.55	+4.25	194.50	188.00	117	3,084
Mar	190.55	+4.25	189.10	189.10	100	320
Jun	190.05	+4.25	-	-	-	107
Total					145	3,879

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	471.0	+1.8	478.0	470.5	94	387
Dec	476.5	+1.7	485.0	474.5	5,687	53,454
Jan	478.0	+1.7	-	-	-	20
Mar	483.3	+1.7	490.0	480.0	108	11,909
May	487.3	+1.7	490.5	490.0	4	3,210
Jul	491.4	+1.7	-	-	10	2,380
Total					6,383	77,237

ENERGY

■ CRUDE OIL NYMEX (1,000 barrels, $/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Oct	19.63	+0.21	19.72	19.39	41,858	86,872
Nov	19.73	+0.10	19.82	19.57	21,238	62,444
Dec	19.78	+0.12	19.85	19.61	10,885	54,089
Jan	19.86	+0.15	19.92	18.75	5,742	34,057
Feb	19.89	+0.16	19.89	19.78	1,134	16,610
Mar	19.87	+0.12	19.86	19.78	396	10,183
Total					84,192	413,014

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Oct	18.52	+0.22	18.53	18.30	22,189	46,673
Nov	18.58	+0.19	18.61	18.39	14,168	58,391
Dec	18.66	+0.17	18.67	18.49	3,257	20,499
Jan	18.69	+0.14	18.69	18.54	1,355	18,086
Feb	18.63	-	10.63	18.54	199	6,908
Mar	18.65	-	18.65	18.50	535	3,763
Total					n/a	n/a

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Oct	52.30	+0.73	52.60	51.70	28,909	45,237
Nov	53.85	+0.63	53.95	53.25	12,297	28,632
Dec	54.90	+0.43	55.15	54.55	6,814	23,591
Jan	55.75	+0.38	56.00	55.50	4,458	21,837
Feb	56.15	+0.38	56.35	56.00	2,259	13,001
Mar	55.90	+0.38	56.15	55.80	2,117	8,417
Total					58,021	156,019

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	161.25	-	161.25	159.50	6,457	5,705
Oct	164.25	+1.50	164.50	162.25	11,358	27,557
Nov	166.00	+1.00	166.25	164.50	2,465	14,274
Dec	168.00	+1.00	168.00	166.25	2,147	16,739
Jan	169.75	+1.25	169.75	168.00	3,144	10,412
Feb	170.75	+1.25	170.75	169.00	607	6,770
Total					28,751	95,729

■ NATURAL GAS IPE (1,000 therms; pence per therm)

Oct	11.050	-0.050	11.050	11.040	80	1,185
Nov	13.210	-0.030	13.300	13.210	125	745
Total					-	8940

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Vol	Open int
Oct	2.720	+0.018	2.750	2.631	21,338	53,151
Nov	2.860	+0.015	2.880	2.780	11,235	31,147
Dec	2.950	+0.022	2.955	2.870	5,138	23,964
Jan	2.935	+0.019	2.945	2.869	1,885	22,979
Feb	2.665	+0.006	2.670	2.620	901	15,718
Mar	2.400	+0.003	2.405	2.370	697	10,525
Total					43,882	228,641

■ UNLEADED GASOLINE

NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Oct	59.40	+1.07	59.90	58.30	18,811	38,308
Nov	57.25	+0.56	57.55	56.45	5,994	21,064
Dec	56.50	+0.36	56.80	55.95	1,936	15,126
Jan	56.60	+0.46	56.70	56.25	322	12,841
Feb	57.00	+0.46	57.00	57.00	127	3,899
Mar	57.70	+0.56	58.10	57.70	178	5,033
Total					27,232	102,158

GRAINS AND OIL SEEDS

■ WHEAT LIFFE (100 tonnes; £ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	87.00	-	86.75	86.75	42	129
Nov	88.25	+0.55	88.40	87.75	150	3,594
Jan	90.10	+0.50	90.25	89.60	103	2,849
Mar	92.10	+0.50	92.25	91.75	65	2,288
May	94.10	+0.50	94.25	93.65	25	1,262
Jul	96.10	+0.50	-	-	-	128
Total					385	10,250

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	364.00	-2.50	369.50	362.00	1,618	1,002
Dec	378.50	-1.75	381.00	376.00	10,687	66,204
Mar	390.75	-2.75	393.00	388.50	851	22,978
May	393.50	-2.00	398.50	392.00	307	4,020
Jul	386.50	-1.25	389.50	384.00	610	9,235
Dec	400.00	-	406.50	402.00	268	1,493
Total					14,395	104,966

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	273.50	+3.75	274.00	267.50	4,971	6,496
Dec	272.50	+4.75	273.00	264.50	28,663	188,417
Mar	280.50	+4.50	281.00	273.00	3,307	53,028
May	285.25	+4.25	285.50	278.25	982	13,353
Jul	288.25	+4.00	288.25	281.25	1,554	22,235
Sep	276.00	+3.25	277.00	272.75	79	1,651
Total					40,488	298,766

■ BARLEY LIFFE (100 tonnes; £ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	81.00	+0.85	-	-	100	119
Nov	83.25	+0.85	83.25	82.70	126	1,110
Jan	85.25	+0.85	85.25	84.75	88	640
Mar	87.25	+0.95	-	-	-	292
May	88.50	+0.85	-	-	-	23
Total					214	2,184

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	721.50	+12.0	723.00	705.00	1,176	4,097
Nov	643.25	+4.25	644.00	636.50	23,812	90,617
Jan	645.50	+4.50	646.50	639.00	2,849	21,470
Mar	652.50	+5.75	653.00	645.50	1,624	9,059
May	658.75	+5.75	658.00	652.00	444	7,031
Jul	664.50	+5.75	665.50	657.50	1,203	8,170
Total					31,290	143,325

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	22.57	-0.02	22.63	22.45	1,686	1,444
Oct	22.66	-0.04	22.78	22.52	4,746	17,746
Dec	23.00	-0.06	23.04	22.60	5,719	40,482
Jan	23.22	-0.06	23.33	23.13	708	12,498
Mar	23.50	-0.06	23.60	23.35	741	8,028
May	23.65	-0.04	23.67	23.55	18	3,381
Total					13,878	88,171

■ SOYABEAN MEAL CBT (100 tons; $/ton)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	270.9	+0.9	271.2	268.0	2,068	5,512
Oct	230.7	+0.6	230.8	228.2	4,124	24,123
Dec	215.4	+1.8	216.3	213.0	9,516	45,130
Jan	211.0	+1.6	211.5	208.5	1,028	11,309
Mar	205.5	+1.6	205.6	202.5	1,904	10,181
May	203.1	+1.8	204.1	200.0	1,464	8,510
Total					20,310	110,665

■ POTATOES LIFFE (20 tonnes; £ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Nov	62.0	-	-	-	-	7
Mar	98.5	-	-	-	-	-
Apr	118.5	-	119.0	110.0	18	1,166
May	130.5	-	-	-	-	2
Jun	144.5	-	-	-	-	-
Total					18	1,175

■ FREIGHT (BIFFEX) LIFFE ($10/index point)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	1300	-8	1305	1300	19	532
Oct	1435	-	1440	1435	46	1,618
Nov	1465	-	-	-	-	46
Jan	1465	-	-	-	-	467
Total					67	2,876

	Close	Prev
BFI	1299	-

PULP AND PAPER

■ PULPEX OMLX ($6; 24 air dry tons)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	560.00	+3.00	560.00	560.00	4	192
Dec	583.00	+5.00	583.00	583.00	1	156
Total						

FUTURES DATA

All futures data supplied by CMS.

Minor metals from Metal Bulletin

$ per lb in warehouse, unless otherwise stated. Antimony: 99.65%. $ per tonne, 1,880-1,950. Bismuth: min. 99.99%, tonne lots 3.35-3.60. Cadmium: min. 99.95%, cents a pound, 40.00-50.00 (5.00-55.00). Cobalt: min. 99.8%, 24.20-25.00 (22.30-23.20); min. 99.3%, 20.00-20.85 (19.50-20.00). Mercury: min. 99.99%, $ per 76 lb flask, 143-155 (145-155). Molybdenum: drummed molybdic oxide, 4.35-4.45. Selenium: min 99.5%, 2.00-3.00 (1.90-2.90). Tungsten ore: standard min. 65%, $ per tonne unit (10kg) WO_3, cif, 40-45. Vanadium: min. 98%, CIF, 4.05-4.15 (4.05-4.10). Uranium: 9.20.

SOFTS

■ COCOA LIFFE (10 tonnes; £/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	1077	-30	1098	1080	34	254
Dec	1112	-28	1142	1112	4,195	52,868
Mar	1133	-27	1161	1133	1,272	47,048
May	1150	-27	1184	1152	348	23,375
Jul	1164	-28	1172	1169	426	8,625
Sep	1178	-25	1192	1184	92	11,831
Total					6,248	172,867

■ COCOA CSCE (10 tonnes; $/tonnes)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	1605	-45	1635	1010	15	68
Dec	1626	-45	1646	1615	3,122	44,894
Mar	1657	-43	1678	1650	394	27,038
May	1676	-43	1691	1687	45	12,074
Jul	1694	-43	1708	1708	52	2,948
Sep	1712	-42	1730	1725	15	4,678
Total					3,862	107,703

■ COCOA (ICCO) (SDR's/tonne)

Sep 10	Price	Prev. day
Daily	1289.32	1303.27

■ COFFEE LIFFE (5 tonnes; $/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	1605	+10	1607	1584	97	1,373
Nov	1623	+13	1625	1595	1,275	18,664
Jan	1625	+15	1625	1596	610	8,783
Mar	1613	+15	1615	1585	312	2,663
May	1608	+15	1610	1600	31	406
Jul	1603	+15	-	-	-	97
Total					2,325	32,145

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	207.50	+8.50	207.75	200.75	36	441
Dec	188.20	+5.25	189.00	181.00	3,590	14,206
Mar	170.95	+5.15	171.00	164.00	738	4,831
May	164.00	+5.00	163.50	159.00	118	1,659
Jul	157.50	+4.75	157.00	151.50	67	1,366
Sep	151.00	+4.50	-	-	4	375
Total					6,558	23,045

■ COFFEE (ICO) (US cents/pound)

Sep 10		Prev. day
Comp. daily	136.49	137.25
15 day average	133.63	133.45

■ WHITE SUGAR LIFFE (50 tonnes; $/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Oct	319.7	+0.9	319.6	317.0	1,803	4,658
Dec	321.8	+2.0	321.6	318.3	1,258	7,798
Mar	325.4	+1.6	326.0	323.3	1,181	12,805
May	325.1	+1.5	325.4	323.5	382	2,654
Aug	323.7	+1.2	322.5	322.5	72	1,412
Oct	318.7	-0.2	-	-	-	2,535
Total					4,896	32,082

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Oct	11.56	+0.10	11.62	11.39	19,245	69,118
Mar	12.12	+0.19	12.15	11.90	3,508	78,890
May	12.08	+0.18	12.08	11.88	1,867	19,374
Jul	11.85	+0.13	11.85	11.66	711	14,252
Oct	11.80	+0.13	11.80	11.64	833	11,432
Mar	11.77	+0.13	11.83	11.62	25	1,974
Total					38,181	198,149

■ COTTON NYCE (50,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Oct	72.83	-0.04	78.15	72.75	328	6,771
Dec	72.90	-	73.20	72.82	4,255	48,540
Mar	74.20	-0.05	74.45	74.10	378	13,764
May	74.85	-0.03	75.05	74.85	211	6,064
Jul	75.40	-0.05	75.85	75.40	219	6,082
Oct	75.53	-	75.75	78.75	40	614
Total					4,554	88,731

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Vol	Open int
Sep	70.30	-	-	-	317	329
Nov	70.75	+1.10	70.90	68.90	1,188	18,559
Jan	73.50	+1.10	73.60	71.00	55	8,540
Mar	76.40	+1.00	76.40	74.80	95	5,636
May	79.20	+0.95	78.85	78.00	160	1,335
Jul	81.70	+0.95	81.50	80.50	20	614
Total					2,172	35,336

VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears. Volume & Open interest totals are for all traded months.

INDICES

■ Reuters (Base: 18/9/31 = 100)

Sep 11	Sep 10	month ago	year ago
1932.0	1934.9	1903.8	1985.1

■ CRB Futures (Base: 1967 = 100)

Sep 10	Sep 9	month ago	year ago
242.22	242.31	-	-

■ GSCI Spot (Base: 1970 = 100)

Sep 10	Sep 8	month ago	year ago
194.25	194.25	194.20	202.73

LME WAREHOUSE STOCKS (tonnes)

Aluminium	+4,775	to	718,000
Aluminium alloy	-320	to	52,390
Copper	+850	to	288,275
Lead	+250	to	121,675
Nickel	+342	to	58,668
Zinc	+4,350	to	380,100
Tin	-185	to	11,875

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Oct	68.200	-0.275	68.550	68.100	8,099	34,848
Dec	69.925	+0.025	70.050	69.750	4,748	28,741
Feb	72.475	-0.100	72.650	72.325	1,744	15,069
Apr	74.925	-0.025	74.950	74.775	441	7,364
Jun	71.475	-0.075	71.525	71.325	868	6,059
Aug	70.900	-0.150	71.150	70.900	14	1,411
Total					15,646	93,506

■ LEAN HOGS CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Oct	70.050	+0.375	70.100	68.925	3,645	16,156
Dec	66.800	+0.625	66.850	65.300	2,494	9,291
Feb	66.150	+0.400	65.300	64.250	223	3,738
Apr	61.950	+0.300	62.150	61.100	154	1,714
Jun	66.875	+0.350	66.900	66.100	28	949
Jul	65.000	+0.125	65.100	64.800	17	684
Total					6,577	32,980

■ PORK BELLIES CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Feb	66.300	+0.750	66.500	64.450	1,571	4,531
Mar	66.075	+0.625	66.250	64.550	82	439
May	65.550	+0.175	65.550	-	2	85
Jul	66.475	+0.075	66.475	66.000	4	27
Aug	66.675	-0.075	-	66.675	2	10
Total					1,664	5,104

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ ALUMINIUM (99.7%) LME	Oct	Jan	Oct	Jan
1575	51	91	12	45
1625	23	55	34	68
1675	6	48	69	96
■ COPPER (Grade A) LME	Oct	Jan	Oct	Jan
2050	64	119	31	74
2100	38	94	55	98
2150	20	73	87	126
■ COFFEE LIFFE	Nov	Jan	Nov	Jan
1550	114	165	41	90
1600	85	139	62	114
1650	63	116	90	141
■ COCOA LIFFE	Dec	Mar	Dec	Mar
1050	68	128	27	45
1075	73	113	36	56
1100	60	100	48	67
■ BRENT CRUDE IPE	Oct	Nov	Oct	Nov
1800	-	-	-	-
1850	-	56	-	48
1900	-	-	-	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel)

		+or-
Dubai	$17.91-7.93w	+0.05
Brent Blend (dated)	$18.30-8.33	+0.065
Brent Blend (Oct)	$18.45-8.48	+0.045
W.T.I.	$19.55-9.57w	+0.07

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$220-222	-1
Gas Oil	$164-167	+2.5
Heavy Fuel Oil	$91-93	
Naphtha	$189-190	+1
Jet fuel	$182-183	+1
Diesel	$169-170	+1.5

■ NATURAL GAS (Pence/therm)

Bacton (Oct)	11.0-11.1	-0.1

Petroleum Argus. Tel. London (0171) 359 8792

■ OTHER

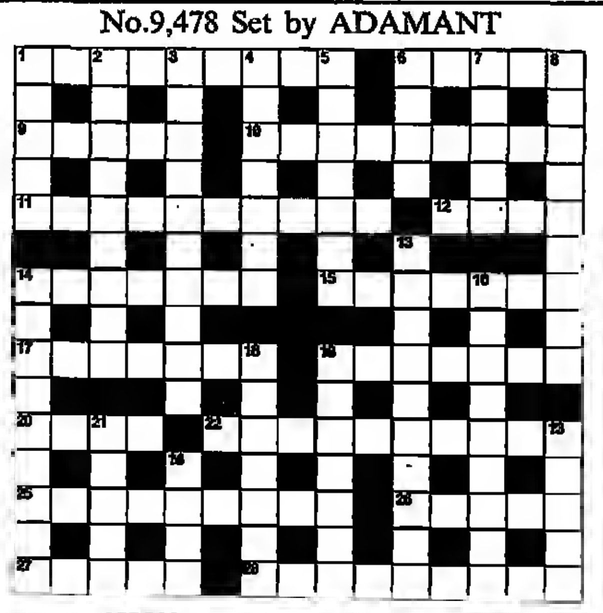
Gold (per troy oz)♣	$322.75	+1.45
Silver (per troy oz)♣	479.00c	+4.00
Platinum (per troy oz.)	$427.00	+4.50
Palladium (per troy oz.)	$161.50	+4.50
Copper	102.0c	+1.0
Lead (US prod.)	45.00c	
Tin (Kuala Lumpur)	15.61r	+0.11
Tin (New York)	256.5	-0.5
Cattle (live weight)	98.71p	-0.80*
Sheep (live weight)	114.01p	+2.72*
Pigs (live weight)†	80.06p	-2.06*
Lon. day sugar (raw)	$277.20	-2.20
Lon. day sugar (wte)	$321.40	-3.40
Barley (Eng. feed)	Unq	
Maize (US No3 Yellow)	£109.00	
Wheat (US Dark North)	Unq	
Rubber (Oct)¥	59.75p	+0.25
Rubber (Nov)¥	59.75p	+0.25
Rubber (KL RSS No1)	260.5z	
Coconut Oil (Phil)§	590.0	-2.5
Palm Oil (Malay.)§	490.0	-15.0
Copra (Phil)§	$395.0y	-3.5
Soyabeans (US)	226.0	
Cotton Outlook'A' index	79.55c	
Wooltops (64s Super)	428p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Aug/Sep. z Aug. w Oct. ¥London Physical. § CIF Rotterdam. ♣ Bullion market close. * Change on week. †Based on 1,672 head of pigs sold.

JOTTER PAD

CROSSWORD

No.9,478 Set by ADAMANT



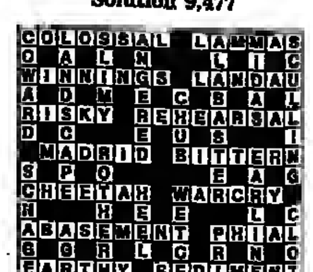
ACROSS

1 Diverted into Chile at an earlier period (9)
6 Heard the cry of a mammal (5)
9 For example, about to look back at the birds (5)
10 Waver badly during leave (9)
11 Where to scoff and start to air the differences (10)
12 Outdo the highest (4)
14 Gave instructions to bishop to fire away at journalist (7)
15 Not care about who is making the law (7)
17 Softens and gives up (7)
19 Work it back to the state of the eye (7)
20 Performs before Romans (4)
22 Time ran out in Washington's liquid reserves (5,5)
25 One who doesn't know whether to take part in a design or a music course (9)
26 Damp fog round hole (5)
27 Sent off to southern homes (5)
28 Lining up the leading surgeon's bandages (9)

DOWN

1 Time for a fool to go round Ghana (5)
2 Works turning into a theatrical event (9)
3 Recognised I turned someone into a god over contents of New Testament (10)
4 Swept the floor - nothing left, so was suspended (7)
5 Capital decoration (7)
6 Testament to determination (4)
7 Make less of what the sailor consumed (5)
8 Abont voting for Prince Albert (9)
13 Peter and Thomas half turned on by the entertainments (10)
14 Savage ban on lawyers in and around America (9)
16 One who plans first class swop for the tic-tac-man (9)
18 Gathered the sun radiated heat (7)
19 Supervise poetry in Old English (7)
21 Is inclined to finish with the road up outside (5)
23 Places wrinkled ties oo first shelf (5)
24 Skills of leading actors reinvigorate the stage (4)

Solution 9,477



FT MANAGED FUNDS SERVICE

Offshore Funds

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

BERMUDA (REGULATED)(**)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Aetna Master Fund (u) (x)

21 avenue de la Liberte, L-1931, Lux 00 352 2954 941

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Australasian NAV			A$10.02		-0.01	-
Austrian Nat NAV			Sch270.04		-0.58	-
Belgo/Lux NAV			BFr1015.09		-6.76	-
Dutch Nat NAV			Dfl93.39		-0.67	-
French Nat NAV			FFr149.18		-1.10	-
German Nat NAV			DM23.89		-0.18	-
Hongkong Dlr NAV			HK$142.07		-4.55	-
Italian Nat NAV			L19955		-75	-
Japanese Nat NAV			Y1179		-24	-
Spanish Nat NAV			Pta1833		-12	-
UK Nat NAV			£12.46		-0.03	-
United States Dlr Res			$11.25		—	-

Prices quoted are "A" shares

American Phoenix Investment Portfolios (u)

13 rue Goethe, L-1637 Luxembourg 00 352 404646211

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
European Multinational Ptfo			Ecu24.10		-0.34	-
European Multinational Ptfo			$26.31		-0.31	-
European Multinational Ptfo			£16.57		-0.21	-
European Multinational Ptfo			L46099		-1031	-
European Multinational Ptfo			DM47.23		-1.75	-
Global Multinational Ptfo.			Ecu22.80		-0.65	-
Global Multinational Ptfo.			$24.67		-0.35	-
Global Multinational Ptfo.			£15.53		-0.24	-
Global Multinational Ptfo.			L43226		-0.041	-
Global Multinational Ptfo.			DM44.29		-1.10	-
US Growth Companies			$17.90		-0.17	-
US Growth Companies			£11.27		-0.12	-
US Growth Companies			L31381		-631	-
US Growth Companies			DM32.13		-0.7	-
US Real Estate Securities			$14.00		+0.00	-
US Real Estate Securities			£10.08		+0.03	-
US Real Estate Securities			L28044		-174	-
US Real Estate Securities			DM28.74		-0.22	-

BAII Asset Management Ltd

10 Piccadilly, London W1V 0EE 0171 734 3700

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Intermarket NAV Aug 29 F			$985.85		+6.49	-
Interportfolio Fund						
Convertible (US$) Aug 31			$772.58		—	-
Convertible (FFr) Aug 31 F			FFr2307.5		—	-

Bank Von Ernst & Cie AG

Marktgasse 63/65, 3001 Berne, Switzerland 0041 313291111

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
UK Equity			£17.58		—	-
UK Smaller Co's Eqty			£27.11		—	-
Nth American Equity			$17.21		—	-

Fleming Group - Contd.

Fleming Flagship Series 6 (Daily Dealing)

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
DM Class F			DM12.385		—	2.80
FFr Class F			FFr65.082		+0.01	2.91
ITL Class F			L22774		+4.00	6.25
£ Class F			£6.307		—	6.50
US$ Class F			$12.224		—	5.31
Oasis Fund Sicav						
International Equity F	2	CE	$14.61	12.1002	—	-

Foreign & Colonial Emerging Markets Ltd (u)

Exchange Ho, Primrose St, Ldn. EC2A 2NY 0171-628 1234

F&C Emerging Markets

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Argentinian Inv Co F			$27.97		-0.02	-
Brazilian Inv Co SICAV F			$34.52		-1.25	-
Gtr Emerging Mkts Co SICAV F			$12.67		-0.18	-
Latin Amer Inv Co SICAV F.			$14.01		-0.33	-
Mexican Inv Co SICAV F.			$32.01		-0.57	-

Foreign & Colonial Portfolios Fd Sicav (u)

33 Boulevard Prince Henri, L-1724 Lux 00 352 2296 511

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Am Smlr Cos Eq F			$45.37		+0.01	-
Japanese Smlr Cos Eq F			Y847		-3	-
European Smlr Cos Eq F			Ecu17.51		—	-
Emerging Asian Eq F			$20.50		-0.41	-
Sterling Beta F			£10.00		+0.01	-
Sterling Distribution F	5		£9.38		-0.18	-

Frontrunner I (u)

67 rue Michel Rodange, Luxembourg 00 352 42087350

	Init Chge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
European Equities			Ecu172.39		—	-
Global Bonds			DM178.04		—	-
Global Bonds			DM156.72		—	-
Sterling Fund			£194.43		—	-
Danish Bonds			DKr170.93		—	-
Swedish Bonds	3		SKr179.86		—	-
German Bonds			DM106.30		—	-
Dollar Bonds	3		$101.71		—	-
Scandinavian Equities			Ecu284.75		—	-
Far East Equities			$83.51		—	-
North American Equities	5		$110.67		—	-
Danish Kroner Reserve			DKr111.35		—	-
Swedish Kroner Reserve			SKr117.17		—	-
German Mark Reserve			DM109.47		—	-
US Dollar Reserve	3		$101.54		—	-
ECU Reserve			Ecu111.31		—	-
Norwegian Kroner Reserve			NKr100.29		—	-
Garant 2/1998	3		DM122.70		—	-
Bonds 2/1998	3		DM103.31		—	-
Bonds 2/1998			DM102.27		—	-

LUXEMBOURG (REGULATED)(**)

OFFSHORE INSURANCES

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

	Selling Price	Buying Price	+ or -	Yield Gross
PanEuroLife societe anonyme				
7, Rue de la Chapelle L-1325 Lux 00 352 456730				
French Balanced Sep 10	FFr3283.80	+62.95		–
Global Equities Sep 10	$1511.37	+50.30		–
UK Secure Gth Sep 10	[illegible]	+2.78		–
Fund of Funds Sep 10	Ecu1385.21	+6.35		–
USD 2004	$536.83	–0.43		–
Premier Life				
1 Sur Emile Bian, Luxembourg Tlx 2605 Tel 4058751				
Davenport Cheltenham £ Ast	£1.42	1.49		–
Matheson £ Pata	£1.110	1.180	+0.02	–
Matheson $ Pata	$1.050	1.110	+0.02	–
CH 10	SFr1.84	1.96		–
LX 10	$1.98	2.15		–
Professional Investment Consultants				
Premier Lux $	$1.44	1.50	–0.02	–
Premier Lux £	£1.48	1.54	–0.02	–
PCI Worldwide Opps	$1.330	1.430		–
SPILA Flexible Growth	$1.0820	1.1430	+0.030	–
Royal Life International				
Royal Court, Arbory Rd, Castletown IoM 01624 821212				

	Selling Price	Buying Price	+ or -	Yield Gross
Asia Pacific Capital Strategies Fund				
NAV Sep 1	$7.1838		—	–
Asia Pacific Securities Corp Ltd				
Asian Convertibles & Income Fd (Cayman)				
NAV Aug 29	$14.40		—	–
Atlantico Investment Ltd				
Atlantico Libor Plus Sep 4	$107.11		—	–
Atlantis Fund Management (Guernsey) Ltd				
Atlas Management Limited				
Managed	$12.05	12.65	—	–
Aurum Funds				
BAS-EX Currency Fund Plc				
NAV (DEC)	L98811		–2064	–
BEA Associates				
Sth America NAV Sep 4	$5.29		—	–
BHP				
BZW Nikko US IT				
BZW Nikko A Shs	$18.52		—	–
BZW Nikko B Shs	$14.45		—	–
Julius Baer Bank & Trust Co Ltd				
Baer Global Bond	$12.18		—	–

	Selling Price	Buying Price	+ or -	Yield Gross
Global Convertible Megatrend				
NAV Jul 31	$138.05		—	–
Global Fund Management S.A.				
GFM Comsack Bond Co	$10.09		—	–
The Global Managed Investor Bond Limited				
Global Growth	$1.158	1.216	—	0.00
US Dollar Managed	$1.134	1.191	—	0.00
European Managed	DM1.154	1.212	—	0.00
Sterling Managed	£1.143	1.201	—	0.00
Global Portfolio (BVI) Management Ltd				
Hydra	$12687		—	–
Ponte 1 Fd Ltd Jul 31	Y1054707		—	–
Ponte Directional Currency	$3415		—	–
Ponte Europe US$	$28058		—	–
Ponte Europe DM	DM53.481		—	–

	Selling Price	Buying Price	+ or -	Yield Gross
JF Asia-Pacific Cap Gtd Tst	$8.15		–0.03	–
JF Asia-Pacific Cap Gtd Tst	$9.40		–0.03	–
JF Japan Leveraged	Y798	845	+4	–
JF Japan Warrant Tst	£3.77	4.00	–0.03	–
JF Asia Low Tst (Undistributed)	Y4320	4571	+85	–
JF Taipei Tst (Undistributed)	T$454.80	481.38	–12.08	–
JF Thailand Capital Gtd	$8.87		—	–
Only available during special offer periods				
Prices as at September 10				
Jupiter Asset Management (Asia) Ltd				
Hong Kong Investment Co Ltd	$1.38		+0.09	–
Philippine Investment Co Ltd	$0.66		–0.19	–
Jupiter Asset Mngt (Bermuda) Ltd				
Jupiter Hedge	£1.33	1.41	+0.03	–

	Selling Price	Buying Price	+ or -	Yield Gross
Globalvest Management Co LP				
Latinvest Sep 1	$47.35		—	–
Brazvest Sep 1	$41.28		—	–
Goldman Sachs				
GS Global Currency Jul 31	$1080.75		—	–
GS Global Currency SF Jul 31	SFr1232.72		—	–
Group One International Tst				
Merrill Lynch				
Smith Barney Inc				
GNMA UCITS Series 1	$308.00			–
GNMA UCITS Series 2	$243.15			–
GNMA UCITS Series 3	$272.05			–

	Selling Price	Buying Price	+ or -	Yield Gross
Jupiter Asset Mngt - Contd.				
Jupiter Tyndall Specialist Fund Ltd				
Brazil Class	$1.59	1.68	+0.04	–
Hong Kong Class	$0.54	0.57	–0.03	–
Mexico Class	$1.48	1.58	+0.08	–
KD Offshore Fund, C.V.				
[illegible]	$52.83		—	–
Kenmar Global Investments Limited				
Aurora Select Strategy Jul 31	$49.470		—	–
Aquila Growth Aug 31	$22.781		—	–
Columbia Growth Aug 31	$23.475		—	–
Cygnus Multi-Strategy Aug 31	$31.080		—	–
Draco Multi-Strategy Aug 31	$32.476		—	–
Gemini Alternative Mgd Jul 31	$28.105		—	–

OTHER OFFSHORE FUNDS

● MANAGED FUNDS NOTES

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES
[illegible]

BANKS, RETAIL
[illegible]

BREWERIES, PUBS & REST
[illegible]

BUILDING & CONSTRUCTION
[illegible]

BUILDING MATS. & MERCHANTS
[illegible]

CHEMICALS
[illegible]

CHEMICALS - Cont.
[illegible]

DISTRIBUTORS
[illegible]

DIVERSIFIED INDUSTRIALS
[illegible]

ELECTRICITY
[illegible]

ELECTRONIC & ELECTRICAL EQPT
[illegible]

ENGINEERING
[illegible]

ENGINEERING - Cont.
[illegible]

ENGINEERING, VEHICLES
[illegible]

EXTRACTIVE INDUSTRIES
[illegible]

EXTRACTIVE INDUSTRIES - Cont.
[illegible]

FOOD PRODUCERS
[illegible]

GAS DISTRIBUTION
[illegible]

HEALTH CARE
[illegible]

HEALTH CARE - Cont.
[illegible]

HOUSEHOLD GOODS
[illegible]

INSURANCE
[illegible]

INVESTMENT TRUSTS
Approved by the Inland Revenue
[illegible]

INVESTMENT TRUSTS - Cont.
[illegible]

INV TRUSTS SPLIT CAPITAL
Approved by the Inland Revenue
[illegible]

هكذا من الأصل

LONDON SHARE SERVICE

OTHER INVESTMENT TRUSTS

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

MEDIA - Cont.

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

PAPER, PACKAGING & PRINTING

[illegible]

PHARMACEUTICALS

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

RETAILERS, GENERAL - Cont.

[illegible]

SUPPORT SERVICES

[illegible]

SUPPORT SERVICES - Cont.

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

AIM

[illegible]

AIM - Cont.

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

	Notes	Price	+ or -	52 week high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind R		£27¾	–	*£27⅞	£20¼	2,091	2.7	⚲
Barlow	‡†	£7⅞	–⅛	£8⅞	£5⅝	1,476	2.8	15.0
Gold Flds Prop R	†	143	–	197	122	14.5	6.1	10.9
SA Brews		£17⅞	–⅛	£20⅛	£13¾	5,252	2.2	⚲
Standard Bank		£27⅛	–⅛	£30	£21	3,380	2.0	⚲
Tiger Oats	†	970	–	1160	790	1,466	1.8	18.5
Tongaat-Hulett		770¼	–1	798¼	676¼	752.8	2.5	⚲

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service are delivered by Extel, part of Financial Times Information

Company classifications are based on those used for the FTSE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices over a rolling 52 week period.

Where stocks are denominated in currencies other than sterling, this is indicated after the name. Prices shown for some of these foreign securities are converted into sterling from latest available local Stock Exchange prices.

Symbols referring to dividend status appear in the notes column only as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IIMR 'Headline Earnings' formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- * Highs and lows marked thus have been adjusted to allow for capital changes
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ⚲ Figures or report awaited
- ♥ Rule 2.1(a)(V) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ‡‡ Rule 4.2(a) Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ⚲ Unregulated collective investment scheme.

a Yield based on annualised dividend	F Yield based on prospectus or other official estimates for 1996-97.	FD (Foreign Income Dividend)
b Figures based on prospectus or other official estimates.	E Assumed yield after pending scrip and/or rights issue.	R Forecast annualised yield, p/e based on prospectus or other official estimates.
g Assumed dividend yield after rights issue.	H Yield based on prospectus or other official estimates for 1997.	W Pro forma figures.
h Assumed dividend yield after scrip issue.	K Yield based on prospectus or other official estimates for 1998	Z Dividend yield to date.
n Rights issue pending	L Estimated annualised yield, p/e based on latest annual earnings.	
q Earnings based on preliminary figures.	M Yield based on prospectus or other official estimates for 1997-98.	Abbreviations:
s Dividend yield includes a special payment.	N Dividend is paid in whole or part as a	xd ex dividend;
t Indicated dividend yield, p/e ratio based on latest annual earnings.		xc ex scrip issue;
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings		xr ex rights;
z Dividend yield includes a special payment		xa ex all;
		xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1425 a year for each security shown, subject to the Editor's discretion

♣ FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Please quote the code FT1623. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability.

FT Company Focus / Focus Plus

Comprehensive 10-18 page report available on this company, containing key news stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock Exchange announcements.

Company Focus (FT news) £8.45.

Focus Plus (FT and Investors Chronicle news) £10.95.

To order, call 0121 200 4678.

Reports published by ShareFinder.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

Calls are charged at 50p per minute at all times.

An international service is available for callers outside the UK, annual subscription £250 stg. Please consult your financial adviser and verify financial pricing information obtained via FT Cityline before making any investment decision.

All access to and use of FT Cityline is subject to FT Cityline terms and conditions - your copy will be sent free on request.

Call 0171 873 4378 for more information on FT Cityline.

The share prices printed on these pages are also available on the Internet at http://www.FT.com.

LONDON STOCK EXCHANGE

Wall St retreat puts pressure on UK stocks

MARKET REPORT

By Steve Thompson
UK Stock Market Editor

UK stocks put up a battling performance yesterday but could oot resist the downward pressures imposed by the latest turmoil in far eastern markets and the hefty decline oo Wall Street overnight.

And another bout of weakness in US stocks at the outset of trading yesterday drove London equities down sharply at the close.

Down 132 points on the Dow Jooes Iodustrial Average overnigbt, the US market came in exceptionally weak and posted a 60 point fall as London closed, extending that loss to 130 points 90 minutes later.

Wall Street's slide came in the wake of last week's jobless claims figure and the secood-quarter current account deficit news, and was linked to a bout of weakness in US Treasury bonds, whicb were down around a half-point not loog after the UK close.

The FTSE 100 index posted its fourth consecutive decline, closing 50.4 off at 4,854.8, its lowest point of the day. Yesterday's decline extended the fall on the week so far to 139.4, or 2.8 per cent.

The weakness in the leaders spread to other areas of the market, which, unlike the frontline stocks, have tended to attract funds in recent sessions.

Second-line issues were broadly lower, with the FTSE 250 index bedly affected by profit warnings from two of its leading lights, Booker, the cash-and-carry business, and Coats Viyella, one of the UK's biggest textiles companies.

Similarly, the FTSE SmallCap index gave way to selling pressure, retreating 7.9 to 2,273.3.

The day began badly for UK equities, with 3 per cent-plus falls in Kuala Lumpur, Hong Kong, Jakarta and Manila, plus a 2 per cent retreat on the Tokyo markst, prompting an early markdown of London's leading stocks.

Thereafter ths market was always under pressure, although marketmakers and dealers insisted that selling was never more than modest.

"There was a sell-alda programme in the market on Tuesday and bids for the stock were not good. Since then we've had a coupls more smaller sell trades and there was no appetite for them either; it feels as if we're poised for another dip," said a senior trader at one big European securities house.

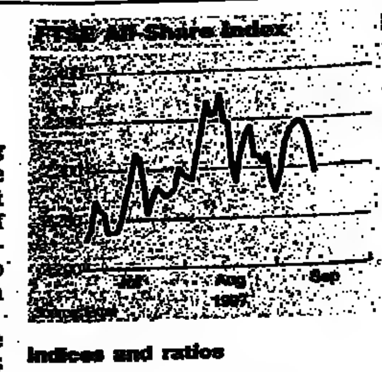
Those sentiments were echoed by the head of trading at a US investment bank in London, who said global markets were starting to position themsëlves for the possibility of a rise in US interest rates after the next meeting of the Federal Reserve's open market committee. "If US rates go up, I can see the FTSE 100 down to 4,700", be said.

There were no surprises in the monetary policy committee's decision to leave UK interest rates on hold.

Among corporate news, BTR's restructuring plan and its stated intention of returning value to shareholders triggered strong anpport for ths shares, which topped both the performance and activity tables.

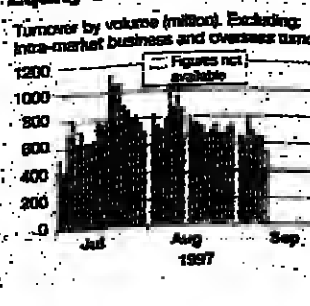
Turnover was 717.9m shares.

FTSE All-Share Index



Equity shares traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



Indices and ratios

FTSE 100	4854.8	-50.4
FTSE 250	4633.2	-31.5
FTSE 350	2345.3	-22.8
FTSE All-Share	2294.72	-21.29
FTSE All-Share yield	3.42	3.38
FT 30	3138.0	-5.0
FTSE Non-Fins p/e	19.50	19.75
FTSE 100 Fut Sep	4850.0	-43.0
10 yr Gilt yield	7.01	7.03
Long gilt/equity yld ratio	2.06	2.09

Best performing sectors

1 Diversified Inds .... +2.7
2 Transport .... +0.1
3 Retailers: Food .... +0.1
4. Electricity .... +0.0
5 Health Care .... +0.0

Worst performing sectors

1 Textiles & Apparel .... -3.4
2 Extractive Inds .... -2.6
3 Telecommunications .... -2.4
4 Oil: Integrated .... -1.9
5 Mineral Extraction .... -1.9

National Express surges

By Martin Brice
and Joel Kibazo

National Express achieved the biggest rise in the FTSE 250, with a 29½ advance to 518p in one of the busiest days ever for the stock – 1.9m shares were traded. The rise was triggered by pre-tax figures of £23.5m that beat forecasts and led to a series of upgrades, while the positive sentiment spread to others in the sector.

Joint house broker NatWest Securities upgraded its predictions from £77.4m to £81m for this year and from £86.4m to £90m for 1998.

The result was driven by a performance from the train operating companies (TOCs) described by one analyst as "stunning". The company had increased the number of passengers by up to 7.7 per cent, and income had grown by increasing ticket inspections and off-peak offers.

However, tbe factor that led to increases in the shares of other train operators was said to be economic growth, which had led to greater use of trains.

Shares in Stagecoacb were up 7½ to 680p, althongb FirstBus, whicb stood at 193p last month, was subject to some profit-taking and eased to 202p. FirstBus has beeo put oo the "buy" list by Merrill Lyncb in its latest global strategy document.

BTR was the star of the day as it threw off the general decline and achieved the biggest rise in the FTSE 100 and the bighest volume, with an advance of 15 to 234p with 65m traded, one of the ever days in the stock.

The scramble for tbe shares was driven by the company's statemeot that it was to turn itself from a conglomerate into a focused engioeering group and return a "significant" amount of capital to shareholders. These two factors oversbadowed results that fell about 12 per cent to £534m, almost exactly in line with expectations.

Ooe analyst said: "The company is moving more rapidly than people expected. At the moment it is a confusing conglomerate, which is out of fashion, and it is going to concentrate on a few areas it is good at."

BTR shares were trading at about nine times estimated earnings for next year before the announcement, hut if tbe company was rated as an eogineer, the stock would be on 12½ or 13 times earnings, analysts said.

Britisb Aerospace surrendered 45½ to £15.10½ after tbe company unveiled interim results and said its Airbus "launch aid" repayments to the UK government would increase over the oext few years. However, Martin Smith at Flemings Research said the sell-off had been overdone, adding: "There was too much concentratioo on the negative aspects and not eoough oo the solid, quality results that these were." The underlying result rose 29 per cent to £278m.

Analysts were said to be adding about £10m to forecasts for the full year, taking estimates to about £540m-£560m. However, turnover in the stock was 1.9m – relatively low for such a liquid stock.

The market was cheered by an upbeat analysts meeting at Centrica at which brokers came away with the feeling that UK's domestic gas supplier is dealing with its many problems.

The meeting came after Ceotrica reported figures whicb sbowed a loss of £216m, up from last year's interim loss of £53m, with the widening deficit blamed oo warmer weather. Underlying net income was also down, falling to £21m against £100m at the same stage a year before.

However, tbs figures appeared to be less important to the market than the group's willingness to address its problems. The shares shed 2¼ to 87p.

In the oils, Shell gave up 10¼ to 427p after it said it would pay an interim dividend of 5.1p per share on November 3. The company said ths dividend represented an increase of 6.3 per cent over the 1996 interim dividend of 4.8p, which was restated to account for tha capitalisation issue which occurred on June 30.

However, analysts indicated the payout was at the bottom of the range of expectations around the 5.0p to 5.3p mark.

SocGen believes the shares to be overvalued and yesterday reiterated its "sell" stance on the shares. John Toalster at the broker said: "There is too much anticipation of earnings growth which may not materialise."

In the rest of the sector, Enterprise Oil, which reported interim profits ahead of expectations eased 4½ to 687½p, while Steve Turner at James Capel said: "The market was also cheered by the increase in the dividend and management confidence that it will increase reserves again this year."

The broker believes the pace of the company's exploration programme will accelerate over the next six months.

Textilas group Coats Viyella was the worst performer in the FTSE 250 after it revealed worse-than-expected interim figures for the first half and warned that profits in the second half of the year are also likely to disappoint.

The shares surrendered 13 or nearly 11 per cent to 108p, after the group reported profits £44.4m up from £41.1m at the same stage a year earlier. The more bullish analysts had expected profits in the region of £50m.

One analyst was reported to have said restructuring had not created shareholder value, and with a break-up valuation of 150p to 170p – well above tha current share price – that would be a logical option. Several brokers moved to downgrade full-year profit expectations by around £50m to about £90m.

In chemicals, ICI followed the poor market trend and closed 6 off at 996½p. Goldman Sachs yesterday published a report on ICI entitled "Rejuvenated". The US investment bank says it rates the shares as "market performers based on the prospects for the business following the major transformation moves implemented or announced since May 7 1997; the group's prospects (in particular, improved earnings quality and growth potential) fully justify the 42 per cent increase in the share price since that date."

A trading statement from the John Lewis Partnership which highlighted growth in its Waitrose supermarkets arm put a spring in the step of fsllow food rstailers, which defied the market fall. Asda Group advanced 2¾ to 144¾p, and Kwik Save gained 3¾ to 331p.

Rank Group bought back 6m of its shares at 350p, via BZW Securities and NatWest Securities. The stock eased a penny to 349½p.

Peterbouse Group, the contracting services group which reversed into the former Shorco Group Holdings, closed at 100p, a premium to its placing price of 80p.

FT 30 INDEX

	Sep 11	Sep 10	Sep 9	Sep 8	Sep 5	Yr ago	*High	*Low
FT 30	3138.0	3143.0	3168.5	3182.5	3184.5	2883.3	3222.3	2868.8
Ord. div. yield	3.60	3.59	3.56	3.54	3.54	4.03	4.22	3.39
P/E ratio net	20.45	20.49	20.65	20.78	20.76	17.11	20.78	15.80
P/E ratio nil	20.18	20.21	20.37	20.49	20.47	16.95	20.49	15.71

FT 30 since compilation: high 3226.5 12/08/97; low 49.4 26/06/40. Base Date: 1/7/35.

FT 30 hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
3129.9	3130.5	3140.0	3137.4	3138.9	3145.7	3139.0	3140.1	3143.2	3147.0	3123.8

	Sep 11	Sep 10	Sep 9	Sep 8	Sep 5	Yr ago
SEAQ bargains	37,308	38,273	39,399	39,619	41,483	36,946
Equity turnover (£m)†	-	2027.7	2098.7	2071.6	2198.4	1802.5
Equity bargains†	-	33,868	37,583	37,583	38,198	36,641
Shares traded (mil)†	-	784.1	536.8	653.8	655.1	609.4

†Excluding intra-market and overseas turnover but including Crest turnover.

 *For 1997.

London market data

Rises and falls*		52 Week highs and lows		LIFFE Equity options	
Total Rises	307	Total Highs	55	Total contracts	29,379
Total Falls	1,202	Total Lows	70	Calls	11,504
Same	1,585			Puts	17,875

Sep 11 *Data based on Equity shares listed on the London Share Service.

FUTURES AND OPTIONS

FTSE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	4880.0	4850.0	-52.0	4985.0	4836.0	14757	53246
Dec	4920.0	4910.0	-52.5	4940.0	4898.0	7046	25312
Mar		4953.0	-52.0			0	1810

FTSE 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Sep	4690.0	4680.0	-	4680.0	4680.0	72	2434
Dec	4744.0	4744.0	-4.0	4744.0	4744.0	72	6887

FTSE 100 INDEX OPTION (LIFFE) (*4860) £10 per full index point

	4700 C	4700 P	4750 C	4750 P	4800 C	4800 P	4850 C	4850 P	4900 C	4900 P	4950 C	4950 P	5000 C	5000 P	5050 C	5050 P
Sep	172½	14	133	23	96½	38½	62	60	36½	87½	20	123½	10	166½	4½	215
Oct	237	70½	281½	85	171	104½	142	126	113½	149	92	178½	70½	210	54	245
Nov	293½	105½	259½	122½	230½	142½	201½	163½	172	187½	148½	214	127½	244	106	275
Dec	338½	133	307½	153	277½	172	246	191½	215	212½	191	240	170	269½	148	290½
Sep†	505½	223½			445½	261			383½	302½					337	358

Calls 2,470 Puts 5,303

EURO STYLE FTSE 100 INDEX OPTION (LIFFE) £10 per full index point

	4675 C	4675 P	4725 C	4725 P	4775 C	4775 P	4825 C	4825 P	4875 C	4875 P	4925 C	4925 P	4975 C	4975 P	5025 C	5025 P
Sep	165½	11	142½	17½	104	29½	71½	48½	45½	70½	27	102	14½	139	7½	152
Oct	240	59½	213½	73½	180½	90	150½	109½	123½	132	99	157½	78	186½	60	217½
Nov	315	100½	281½	116	250	133½	219	152	190	172½	164	195½	139½	220½	118½	248½
Dec	354½	124½	321	140	288	157	259	175½	230	196	204½	219	179½	243	158½	269
Mar†			412	193			353	230			298	272			250	319½

Calls 3,241 Puts 4,789 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1997 High	1997 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
§	F.P.	-	415	395	Antofagasta Uts	397½		-	-	-	-
-	F.P.	86.4	110	101	Bristol & W Prf	110	+¼	-	-	-	-
§100	F.P.	29.2	145	109½	Cammell Laird	137½	+1	L3.8	2.1	3.5	13.3
	F.P.	-	116	114	EMI 8	115		22.75	-	3.1	-

† Alternative Investment Market. § Placing price. * Introduction. For a full explanation of all other symbols please refer to The London Share Service notes.

FTSE GOLD MINES INDEX

FTSE Actuaries Share Indices — The UK Series

FTSE Actuaries Industry Sectors

Hourly movements

Further information is available on http://www.ftse.com. "FT-SE" and "Footsie" are trade marks of the London Stock Exchange and The Financial Times and are used by FTSE International under licence. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. Change of name: Shorco now Peterhouse (FTSE Fledgling).

FTSE INTERNATIONAL

TRADING VOLUME

Major Stocks Yesterday

	Vol. 000s	Closing price	Day's change
3i†	1,100	494½	+½
AMVESCAP	1,100	384	-½
ASDA Group†	6,400	144¾	+2¼
Abbey National†	1,700	849	-8½
Airtours	499	1153½	-9
Albert Fisher	902	36½	-½
Alliance & Leicester†	591	645½	-2½

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. † Indicates an FTSE 100 Index constituent. All issues are rounded. Source: Extel, part of FT Information.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Sep 11 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Sep 11 / Frs.)

[illegible]

CZECH REP (Sep 11 / Koruna)

[illegible]

DENMARK (Sep 11 / Kr)

[illegible]

FINLAND (Sep 11 / Mka)

[illegible]

FRANCE (Sep 11 / Frs.)

[illegible]

GERMANY (Sep 11 / Dm.)

[illegible]

GREECE (Sep 11 / Drachma)

[illegible]

ITALY (Sep 11 / Lire)

[illegible]

NETHERLANDS (Sep 11 / Fls.)

[illegible]

NORWAY (Sep 11 / Kroner)

[illegible]

POLAND (Sep 11 / Zloty)

[illegible]

PORTUGAL (Sep 11 / Escudo)

[illegible]

SPAIN (Sep 11 / Pts.)

[illegible]

SWEDEN (Sep 11 / Kronor)

[illegible]

SWITZERLAND (Sep 11 / Frs.)

[illegible]

TURKEY (Sep 11 / Tk Lira)

[illegible]

PACIFIC

JAPAN (Sep 11 / Yen)

[illegible]

HONG KONG (Sep 11 / H.K.$)

[illegible]

INDONESIA (Sep 11 / Rupiah)

[illegible]

MALAYSIA (Sep 11 / MYR)

[illegible]

NEW ZEALAND (Sep 11 / NZ $)

[illegible]

SINGAPORE (Sep 11 / S$)

[illegible]

AUSTRALIA (Sep 11 / Aust$)

[illegible]

SOUTH KOREA (Sep 11 / Won)

[illegible]

TAIWAN (Sep 11 / TW $)

[illegible]

THAILAND (Sep 11 / Baht)

[illegible]

NORTH AMERICA

CANADA

MONTREAL (Sep 11 / Can $) 2:30 pm

[illegible]

TORONTO (Sep 11 / Can $) 2:45 pm

[illegible]

AFRICA

SOUTH AFRICA (Sep 11 / Rand)

[illegible]

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FTSE International and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the Indices.

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	WEDNESDAY SEPTEMBER 10 1997 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	TUESDAY SEPTEMBER 9 1997 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (76)	228.40	-0.6	213.46	172.01	213.91	208.60	-0.2	3.68	229.70	214.10	172.88	216.26	209.12	243.87	200.17	205.39
Austria (24)	196.32	-1.0	183.46	147.86	183.87	183.78	-1.5	1.79	198.30	184.83	149.24	186.71	186.61	206.00	174.70	177.35
Belgium (28)	239.78	-1.3	224.10	180.58	224.57	220.01	-1.8	3.10	242.97	226.47	182.87	228.77	224.04	261.11	215.57	218.43
Brazil (30)	270.27	-3.2	252.60	203.55	253.13	542.90	-3.1	1.36	279.18	260.21	210.11	262.85	560.51	322.44	178.94	181.48
Canada (124)	216.92	-0.6	202.74	163.37	203.17	217.46	-0.5	1.73	218.18	203.34	164.19	205.41	219.51	224.03	163.10	163.10
Denmark (32)	381.59	0.1	356.64	287.39	357.39	356.07	-0.4	1.54	381.19	355.31	286.89	358.91	357.36	421.25	318.08	320.48
Finland (28)	298.62	0.3	279.10	224.90	279.68	337.81	-0.2	1.93	297.71	277.50	224.07	280.32	338.50	314.06	205.88	208.43
France (83)	224.72	-0.9	210.03	169.24	210.46	213.56	-1.4	2.47	226.82	211.42	170.71	213.56	215.61	237.57	190.97	191.47
Germany (58)	222.17	-0.5	207.64	167.32	208.07	208.07	-1.0	1.37	223.26	208.10	168.03	210.21	210.21	238.42	173.76	174.20
Hong Kong, China (66)	521.17	-1.1	487.10	392.51	488.12	518.23	-1.1	2.99	527.00	491.22	396.63	496.21	524.06	580.03	429.47	429.47
Indonesia (27)	165.94	-4.9	155.09	124.97	155.41	298.93	-3.6	2.17	174.57	162.71	131.38	164.36	310.03	254.90	130.64	191.45
Ireland (17)	369.38	-0.3	345.23	278.16	345.95	348.30	-0.4	2.81	370.55	345.39	278.88	348.90	349.56	376.16	290.83	292.15
Italy (53)	101.57	-0.7	94.93	76.49	95.13	133.41	-1.1	1.78	102.32	95.37	77.01	96.34	134.91	105.78	73.78	74.89
Japan (485)	125.21	-0.1	117.03	94.30	117.27	94.30	-0.1	0.84	125.38	116.85	94.35	118.04	94.35	147.81	107.57	142.81
Malaysia (107)	352.89	-3.3	329.82	265.77	330.51	397.47	-2.7	1.81	364.86	340.09	274.60	343.54	408.63	660.85	287.37	552.31
Mexico (27)	1714.35	-2.2	1602.26	1291.13	1605.61	14569.55	-2.3	1.54	1753.46	1634.39	1319.69	1650.99	14908.63	1864.38	1136.59	1266.32
Netherlands (19)	393.82	-1.2	368.07	296.60	368.84	364.76	-1.7	2.22	398.65	371.58	300.03	375.35	371.10	431.68	297.95	298.52
New Zealand (14)	88.01	0.2	82.25	66.28	82.43	73.52	0.3	4.15	87.85	81.88	66.12	82.72	73.27	98.47	83.09	85.68
Norway (41)	334.61	-0.1	312.73	252.00	313.39	337.17	-0.4	1.82	334.90	312.16	252.05	315.33	338.67	334.90	250.74	252.75
Philippines (22)	111.49	-3.6	104.20	83.97	104.42	178.06	-1.1	1.19	115.62	107.77	87.02	108.86	180.03	214.07	100.52	205.00
Singapore (42)	329.39	-0.5	307.86	248.07	308.50	228.90	-0.2	1.38	331.17	308.68	246.25	311.82	229.38	448.01	284.17	396.28
South Africa (43)	336.06	-1.0	314.09	253.10	614.74	345.41	-0.8	2.45	339.39	316.34	255.43	319.56	348.57	370.12	301.49	345.34
Spain (33)	251.29	-0.2	234.86	189.25	235.35	289.30	-0.7	2.27	251.87	234.77	189.57	237.16	291.41	276.05	173.01	173.61
Sweden (49)	496.25	-0.6	463.81	373.74	484.78	572.27	-0.7	1.80	499.42	465.51	375.88	470.24	576.28	512.39	363.50	363.50
Switzerland (33)	293.46	-1.3	274.28	221.02	274.85	269.65	-1.5	1.23	297.42	277.23	223.85	280.04	273.69	329.59	231.69	244.74
Thailand (42)	42.29	-4.6	39.52	61.85	39.61	58.26	-4.5	5.05	44.34	41.33	33.37	41.75	61.01	146.69	37.40	128.90
United Kingdom (213)	306.13	-1.1	286.11	230.56	286.71	288.11	-0.6	3.48	309.59	288.57	233.00	291.50	288.57	325.29	245.70	246.73
USA (635)	374.37	-1.5	349.90	281.95	350.63	374.37	-1.5	1.65	379.94	354.15	285.96	357.74	379.94	389.87	270.54	270.54
Americas (816)	342.09	-1.4	616.72	257.64	320.39	288.13	-1.4	1.65	347.13	323.56	261.26	326.85	292.38	356.35	247.51	247.51
Europe (712)	269.59	-0.9	251.96	203.03	252.49	259.22	-1.1	2.45	272.08	253.61	204.78	256.16	262.04	284.44	213.78	214.57
Nordic (150)	421.90	-0.3	394.31	317.74	395.14	426.55	-0.6	1.74	423.31	394.57	318.59	398.58	428.91	437.38	313.59	314.40
Pacific Basin (881)	141.54	-0.4	132.28	106.60	132.56	107.84	-0.3	1.35	142.11	132.46	106.95	133.81	108.16	162.15	127.16	156.96
Euro-Pacific (1593)	194.99	-0.7	182.24	146.85	182.62	164.71	-0.7	1.98	196.36	183.03	147.78	184.89	165.95	209.12	173.55	180.83
North America (759)	364.62	-1.4	340.78	274.61	341.50	363.92	-1.4	1.66	369.89	344.77	278.39	348.27	369.17	379.38	263.97	263.97
Europe Ex. UK (499)	243.80	-0.8	227.87	183.48	228.15	238.26	-1.2	1.87	245.58	228.90	184.83	231.23	241.15	256.73	161.92	192.57
Pacific Ex. Japan (396)	283.46	-1.3	264.93	213.48	265.48	280.42	-1.0	2.94	287.15	267.65	216.12	270.37	263.16	320.65	260.02	264.55
World Ex. US (1817)	199.16	-0.7	186.17	150.01	186.55	171.39	-0.8	1.97	200.68	187.06	151.04	188.96	172.94	212.89	176.94	182.44
World Ex. UK (2239)	250.34	-1.1	233.97	188.54	234.46	224.15	-1.1	1.63	253.10	235.91	190.49	238.31	226.74	262.69	206.28	206.28
World Ex. Japan (1967)	321.32	-1.3	300.31	241.99	300.94	315.47	-1.3	1.89	325.44	303.34	244.93	306.42	319.63	334.83	245.87	245.87
The World Index (2452)	255.16	-1.1	238.48	192.17	238.97	229.89	-1.1	1.61	257.98	240.46	194.16	242.91	232.47	267.21	209.76	209.78

 Latest prices were unavailable for this edition.

Emerging markets: IFC investable indices

Dollar terms

Sept 10 Market		Day's chg %	% Chg since 31/12/96
Latin America			
Argentina	1,185.32	-2.4	+25.7
Brazil	659.41	-2.8	+41.1
Chile	784.13	-6.6	+26.4
Colombia	641.29	-3.4	+32.9
Mexico	749.43	-2.0	+41.5
Peru	241.11	-0.9	+22.5
Venezuela	1,129.92	+0.4	+55.2
East Asia			
China	103.37	+0.1	-40.2
Korea	75.17	+0.4	-2.7
Philippines	167.81	-3.1	-42.8
Taiwan, China	179.26	+0.5	+17.9
South Asia			
India	98.93	+0.4	+25.8
Indonesia	92.75	-5.8	-27.3
Malaysia	199.43	-3.1	-40.8
Pakistan	273.25	-0.0	+39.6
Sri Lanka	134.96	-0.8	+41.9
Thailand	103.86	-5.4	-53.2
Europe/Mideast/Africa			
Czech Rep	82.33	+0.8	-11.2
Egypt	103.85	-0.4	-
Greece	366.43	-0.8	+51.2
Hungary	399.13	+1.9	+92.0
Israel	125.54	-0.9	+25.5
Jordan	225.68	+0.3	+21.1
Morocco	128.76	+0.4	-
Poland	724.01	+1.5	-1.1
Portugal	192.50	+0.7	+31.7
Russia	181.55	-0.5	-
S Africa	222.83	-1.0	+8.8
Slovakia	97.95	+1.5	-
Turkey	242.85	+1.7	+63.3
Zimbabwe	560.90	-0.8	+18.3
Regions			
Composite	308.37	-1.8	+4.5
Latin America	734.86	-2.1	+36.6
Asia	190.75	-2.0	-24.5
EMEA	180.79	-0.1	+19.7

Base date: Dec 1988=100 except those noted which are: (1)Feb 1 1991; (2)Dec 31 1992; (3)Jan 5 1990; (4)Dec 31 1992; (5)Jan 3 1992; (6)Jan 4 1991; (7)Nov 0 1992; (8)Sep 28 1990; (9)Mar 1 1991; (10) Dec 31 1992; (11)Dec 31 1993; (12)Dec 31 1992; (13)Dec 31 1992; (14)Dec 31 1992; (15)Aug 2 1993; (16) July 2 1993.

Latest indices were unavailable for this edition.

Prices supplied by Extel, part of FT Information.

NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. * Calendar year high and low. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. † Priced in US $.

♣ FT Free Annual Reports Service

You can obtain the current annual reports of any companies on this page with a ♣ symbol. For North American companies you can either ring +1 804 320 8087 or fax your request to +1 804 320 8135 or order online at http://www.icbinc.com/cgi-bin/ft. For companies from ALL other countries ring 0181 770 0770 or fax your request to 0181 770 3822 (outside UK ring +44 181 770 0770 or fax your request to +44 181 770 3822).

2.45 pm September 11

NEW YORK STOCK EXCHANGE PRICES

1997 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg'e Prev. Close
[illegible]										

\- A -

\- B -

\- C -

\- D -

\- E -

\- F -

\- G -

\- H -

\- I -

\- J -

\- K -

\- L -

\- M -

\- N -

\- O -

\- P - Q -

\- R -

\- S -

\- T -

\- U -

\- V -

\- W -

\- X - Y - Z -

Price data supplied by Extel, part of FT Information.

Yearly highs and lows for NYSE reflect the period from Jan 1 1997. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

d-new yearly low. P/E price-earnings ratio. sls-sales. u-new yearly high. x-ex-dividend or ex-rights. yld-yield. z-sales in full.
Dealings suspended.

NASDAQ

GLOBAL EQUITY MARKETS

US INDICES

Dow Jones	Sep 10	Sep 9	Sep 8	1997 High	1997 Low	Since compilation High	Since compilation Low
Industrials	7719.28	7851.91	7835.18	8259.31 (6/8)	6391.69 (11/4)	8259.31 (6/8/97)	41.22 (8/7/32)
Home Bonds	103.68	103.85	103.70	104.70 (31/7)	101.09 (14/4)	104.79 (31/7/97)	54.99 (1/10/81)
Transport	3020.50	3011.10	3026.06	3026.85 (8/9)	2222.07 (2/1)	3026.06 (8/9/97)	13.23 (8/7/32)
Utilities	236.15	237.49	236.34	248.86 (22/1)	209.47 (25/4)	259.46 (31/8/93)	16.53 (8/7/32)

DJ Ind. Day's high 7868.10 (7922.05) Low 7686.30 (7789.52) (Theoretical♦)
Day's high 7847.72 (7899.08) Low 7712.54 (7797.70) (Actual♦)

Standard and Poors	Sep 10	Sep 9	Sep 8	1997 High	1997 Low	Since compilation High	Since compilation Low
Composite‡	919.03	933.62	931.20	960.32 (6/8)	737.01 (2/1)	960.32 (6/8/97)	4.40 (1/6/32)
Industrials♥	1077.35	1094.65	1091.53	1130.76 (6/8)	865.42 (11/4)	1130.76 (6/8/97)	3.52 (30/6/32)
Financial♥	107.03	108.98	108.81	111.88 (31/7)	80.75 (2/1)	111.88 (31/7/97)	7.13 (4/9/74)
Others							
NYSE Comp.	480.63	486.69	485.78	487.08 (6/8)	389.47 (11/4)	487.08 (6/8/97)	4.64 (25/4/42)
Amex Comp	670.27	671.43	670.67	671.43 (9/9)	541.20 (28/4)	671.43 (9/9/97)	524.20 (16/7/96)
NASDAQ Cmp	1639.25	1658.22	1645.55	1658.22 (9/9)	1201.00 (2/4)	1658.22 (9/9/97)	54.87 (3/10/74)
Russell 2000	436.90	437.75	435.90	437.75 (9/9)	335.85 (25/4)	437.75 (9/9/97)	123.36 (7/12/93)

RATIOS

	Sep 5	Aug 29	Aug 22	Year ago
Dow Jones Ind. Div. Yield	1.67	1.71	1.66	2.24
	Sep 10	Sep 3	Aug 27	Year ago
S & P Ind. Div. yield	1.54	1.52	1.54	2.02
S & P Ind. P/E ratio	24.80	25.11	24.76	21.84

US DATA

TRADING ACTIVITY

Volume (million)	Sep 10	Sep 9	Sep 8
NYSE	818.749	502.101	488.440
Amex	28.296	22.821	20.588
NASDAQ	734.876	723.015	658.991

NYSE	Sep 10	Sep 9	Sep 8
Issues Traded	3,378	3,383	3,385
Rises	1,056	1,582	1,784
Falls	1,754	1,228	1,073
Unchanged	568	583	528
New Highs	224	272	288
New Lows	12	12	11

NYSE TRADING ACTIVITY Volume : 820,976,000

ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Day's change
AT &T	7,899,300	42.08	+1.31
Columb/HCA	7,212,000	29	−0.63
IBM	6,839,200	97.18	−3
Corning	6,381,900	47.38	−1.38
Ph Morris	4,992,300	43.69	−1.13
Boeing	4,799,700	52.81	−1.31
K-Mart	4,337,000	15.06	+0.13
Compaq	4,272,300	67.06	−0.81
Baker H	3,801,300	43.56	+1.56
Gen El	3,567,300	65.94	−0.88

BIGGEST MOVERS

Wednesday	Close price	Day's change	Day's chge %
Ups			
WHG Res	19.25	+3.44	+21.7
Galoob	26	+2.38	+10.1
Sterling Cm	35	+3.5	+11.1
Fst Am Fin	58	+4.63	+9.6
Downs			
Fred Holly	7.81	−2.43	−23.8
Unitrode	77.25	−3.75	−4.5
Gleason	52.93	−2.56	−4.6
Fst Ch NBD	73.25	−3.38	−4.4

NASDAQ TRADING ACTIVITY Volume :734,876,000

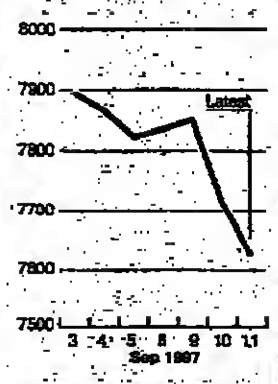
ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Day's change
Ascend Com	23,851,900	40	−2.56
Tel Com TCI	16,600,800	18.88	−0.56
Cisco	14,348,200	72.6	−3.5
Intel	13,816,200	95.5	−2.25
Tellabs	10,899,500	52.12	−4.69
Worldcom	9,916,400	35.94	+0.25
3 Com	8,534,700	49.75	−1.75
Oracle	8,435,800	37.94	−1.83
Microsoft	8,857,300	136.13	−4.38
APAC Tele	6,022,700	12.6	−0.5

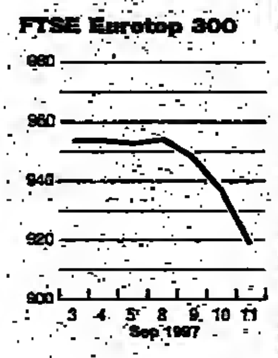
BIGGEST MOVERS

Wednesday	Close price	Day's change	Day's chge %
Ups			
Tinsley	21.25	+10.5	+97.7
Westwood	26.63	+5.38	+25.3
Spinnaker	27.5	+5.38	+24.3
Trident	17	+2.75	+19.3
Downs			
Sequent	24	−4.88	−18.3
Spectran	13	−3.13	−18.3
Fed Agri	14	−2.5	−15.2
Marine	28.5	−5	−14.9

Dow Jones



FTSE Eurotop 300



JAPAN

	Sep 11	Sep 10	Sep 9	1997 High	1997 Low	Since compilation High	Since compilation Low
Nikkei 225	18282.23	18704.17	18695.97	20681.07	17303.65	38915.9	85.25

TOKYO TRADING ACTIVITY Volume : 388,000,000

ACTIVE STOCKS

Thursday	Stocks traded	Close price	Day's change
Sumitomo Bk	6,575,000	1030	−18
Sakura Bk	5,707,000	665	−19
Nippn Steel	5,117,000	290	−6
Fujitsu	4,980,000	930	−50
Nippn Cr Bk	4,805,000	167	−10
Canon	4,372,000	3460	−80
Daishowa Pap	4,118,000	708	−10
S'tomo Elec	4,050,000	1710	−80
Bridgstn	3,814,000	2800	−10
NEC	3,816,000	1360	−20

BIGGEST MOVERS

Thursday	Close price	Day's change	Day's chge %
Ups			
Sansaido	900	+74	+9.0
Sato Kogyo	137	+8	+6.2
Tokai Kako	188	+10	+5.6
Jp Fndtn En	1220	+60	+5.2
Downs			
Daiei OMC	221	−31	−12.3
Saika	318	−29	−8.4
Yuzo Glass	370	−32	−8.0
Aichi Sll Wk	382	−32	−7.7

FRANCE

	Sep 11	Sep 10	Sep 9	1997 High	1997 Low	Since compilation High	Since compilation Low
CAC 40	2843.60	2874.57	2919.72	3075.67	2256.97	3075.67	984.61

PARIS TRADING ACTIVITY Volume : 362,411,690

ACTIVE STOCKS

Thursday	Stocks traded	Close price	Day's change
Bqe Nat Paris	1,422,332	288.3	+8.2
Soc Gen	1,239,214	809	+23
Paribas	1,053,322	421.5	−22.1
Elf-Aquit	903,615	747	+12
AXA-UAP	879,190	385.9	−2.8
Usinor	737,579	108.5	−3.2
Total	720,480	633	+1
Finextel	608,882	117	
Credit Com Fr	552,188	332	+5
EuroDisney	535,773	8.1	−0.35

BIGGEST MOVERS

Thursday	Close price	Day's change	Day's chge %
Ups			
CMM Inds	10.45	+1.75	+20.1
Clayeux	63	+9.1	+16.9
GTMH	60.15	+5.3	+8.7
Chargeurs	390	+23	+6.3
Downs			
Moreen	842	−108	−11.4
Natl Nav	100	−7	−6.5
Air France	3702	−248	−6.3
BP France	155.5	−8	−5.5

GERMANY

	Sep 11	Sep 10	Sep 9	1997 High	1997 Low	Since compilation High	Since compilation Low
DAX	3972.55	4050.14	4094.38	4438.93	2848.77	4438.93	931.18

FRANKFURT TRADING ACTIVITY Volume : 7,506,140

ACTIVE STOCKS

Thursday	Stocks traded	Close price	Day's change
Commerzbk	892,428	61.1	−0.9
IG Farbn	740,300	2.68	+0.18
Deutsche Tl	619,172	37.05	−0.1
Deutsche Bk	481,074	107.1	−0.95
Bayer	438,842	67.76	−2.25
Daimler-Bz	430,858	137	
BASF	421,581	63.15	−0.85
Veba	398,032	96.5	−3.6
Siemens	382,387	111.6	−3.4
Bayer Vere	357,731	67.4	−1.9

BIGGEST MOVERS

Thursday	Close price	Day's change	Day's chge %
Ups			
IG Farben	2.68	+0.18	+7.2
Strabag Pl	146	+9	+6.9
Horchbach Pl	130	+7	+5.7
Escobau	45.5	+1.5	+3.4
Down			
Brem Vlkn	2.8	−0.4	−13.3
CEAG Ind	225	−25	−10
Muenchener R	573	−34	−5.6
Glunz	65.2	−3.8	−5.5

UK

	Sep 11	Sep 10	Sep 9	1997 High	1997 Low	Since compilation High	Since compilation Low
FTSE 100	4854.8	4905.2	4950.5	5086.80	4056.60	5086.8	986.9

LONDON TRADING ACTIVITY Volume : 717,900,000

ACTIVE STOCKS

Thursday	Stocks traded	Close price	Day's change
BTR	65,899,120	234	+15
Centrica	39,361,110	87	−2¼
Anglo Gp	16,847,860	82¼	−1½
BT	15,318,570	390½	−11
Rank	13,180,880	349½	−1
Norwich Un	11,860,690	327½	−13½
Vickers	11,112,940	193½	−11½
Rentokil	10,912,240	231½	+4
SmithKl Bch	8,871,833	526½	−3½
Tomkins	8,596,607	321½	+4½

BIGGEST MOVERS

Thursday	Close price	Day's change	Day's chge %
Ups			
Jackson Grp	49½	+11½	+30.3
Cohen A	400	+65	+19.4
Ash & Lacy	172½	+20	+13.1
Goodhead	35	+4	+12.9
Downs			
Limelight	37½	−27	−41.9
Balgrchik	26	−11½	−30.7
Floral St	130	−42½	−24.6
Coats Vly	108	−13	−10.7

INDEX FUTURES

S&P 500	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Sep	915.50	914.20	−1.05	917.80	911.85	95,918	123,055
Dec	925.00	924.25	−0.80	925.00	922.90	38,767	92,715
Nikkei 225							
Sep	18880.0	18280.0	−460.0	18880.0	19190.0	12,955	80,333
Dec	18510.0	18240.0	−450.0	18620.0	18170.0	21,947	156,958

Open interest figures for previous day.

CAC-40 (200 x index)	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Sep	2852.0	2846.0	−32.0	2870.0	2836.0	17,924	40,882
Oct	2858.5	2852.5	−32.0	2867.0	2844.0	140	2,286
DAX							
Sep	3975.0	3883.0	−134.5	3982.5	3866.5	36,805	77,520
Dec	4005.0	3914.0	−142.5	4020.0	3898.0	7,588	12,680

OMX	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
Sep	2470.00	2466.00	−53.00	2488.25	2456.00	9,645	20,440
Oct	2492.00	2469.00	−54.00	2492.00	2469.00	90	1,988
SOFFEX							
Sep	5282.0	5269.0	−72.9	5293.0	5236.1	9,725	23,794
Oct	5350.0	5275.0	−111.0	5350.0	5258.0	1,482	5,981

WORLD MARKETS AT A GLANCE

Country	Index	Sep 11	Sep 10	Sep 9	1997 High	1997 Low	Yield	P/E
Argentina ♣	General	23706.44	23774.72	24228.35	24917.86 6/8	18237.37 2/1	2.75	19.6
Australia	All Ordinaries	2685.8	2686.5	2674.5	2746.80 2/7	2352.28 1/4	3.42	18.5
	All Mining	803.4	813.4	817.9	987.30 24/2	803.40 11/9		
Renewed talk of interest rate cut after weak jobs data lifted index off its late morning low to finish flat.								
Austria	Credit Aktien	438.28	448.36	463.32	488.82 1/8	374.48 9/1	1.78	16.6
	Traded Index	1337.10	1371.11	1394.06	1488.49 31/7	1130.22 9/1		
Mood bearish as large sell orders poured in from domestic and international investors.								
Belgium	BEL20	2313.74	2363.77	2405.42	2621.00 28/7	1871.05 2/1	2.35	18.1
Day's largest falls registered by holding company, SGB, down 4.8 per cent, and cord maker Bekaert, 4.2 per cent lower.								
Brazil	Bovespa	10823	11361	11735	13617.05 8/7	6865.50 2/1	0.44	na
♣ Stocks plunged 4.6 per cent prompted by Wall Street sell-off.								
Canada	TSE 100♦	400.38	404.41	408.27	419.21 7/8	342.12 11/4	1.75	20.5
	Metals Mins♦	4895.83	4875.25	4861.79	5001.76 10/3	4061.79 9/9		
	Composite♦	6708.7	6769.5	6789.5	6946.16 7/8	5579.28 14/4		
	Portfolio§§	3267.7	3301.49	3332.2	3404.53 7/8	2846.02 11/4		
♣ Profit-taking in banks and golds, and pressure from Wall Street, contributed to market fall.								
Chile ♣	IGPA Gen♥	(u)	5527.65	5539.56	5865.71 4/7	4612.42 2/1	3.18	18.1
China	Shanghai B	84.58	85.24	84.49	98.21 7/5	66.70 9/1	1.16	78.7
	Shenzhen B	138.65	139.24	138.41	184.20 6/5	120.44 9/7		
Shanghai's hard currency B shares for foreign investors lower as weakness in the domestic A market market spilled over.								
Colombia ♣	IBB	(u)	1418.05	1429.88	1448.35 5/9	844.41 2/1	na	na
Czech Republic	PX 50	546.3	546.2	547	629.00 25/2	475.70 21/5	na	na
Market's four largest issues all lower as bourse, sleepy since early summer, comes back to life.								
Denmark	CopenhagenSE	606.39	611.37	618.24	658.29 17/7	470.14 2/1	1.34	19.2
Even EU's approval of Carlsberg's Nordic alliance with Coca Cola failed to put any fizz into trading.								
Egypt	Cairo SE Gen	371.55	371.19	372.12	- -	- -	na	na
Active trade in the cement sector and growing investor confidence helped market ahead.								
Finland	HEX General	3391.32	3495.04	3442.7	3600.00 7/8	2463.28 2/1	2.26	15.1
Foresters outperformed main indices, in spite of threat of paper industry strike next week.								
France	SBF 250	1864.54	1886.06	1908.46	2003.43 31/7	1533.19 2/1	2.57	18.7
	CAC 40	2843.60	2874.57	2919.72	3075.67 31/7	2256.97 2/1		
Paribas tumbled 5 per cent after reporting higher first half profits which failed to live up to expectations.								
Germany	FAZ Aktien	1331.86	1357.38	1371.23	1461.44 31/7	968.21 2/1	1.42	19.8
	Commerzbank	3894.00	3963.6	4005.5	4338.70 31/7	2925.88 2/1		
	DAX‡	3972.55	4050.14	4094.38	4438.93 31/7	2848.77 2/1		
Insurer Allianz weak after it said it will own 15-17 per cent of the merged Vereinsbank/Hypo Bank.								
Greece	Athens SE	1641.04	1668.93	1668.51	1727.78 23/5	954.54 2/1	2.5	18.2
Further profit-taking seen after Monday's sharp rise on news that Athens was to host 2004 Olympic games.								
Hong Kong	Hang Seng	14308.20	14805.44	14995.66	16673.27 7/8	12055.17 3/4	2.51	15.6
	HSCC Red Chip	3858.79	3914.18	3957.68	4110.55 27/8	1848.45 9/1		
Investors cautious ahead of today's launch of futures contracts on the Hang Seng China-Affiliated Corps index.								
Hungary	Bux	7669.70	7787.57	7881.62	8483.80 6/8	4291.30 8/1	na	na
Activity bolstered by large block deals in TVK, the chemicals group.								
India	BSE Sens.	4010.07	4045.61	4031.55	4548.02 5/8	3225.24 2/1		
	Crisil 500	748.66	754.17	753.19	843.38 5/8	622.71 2/1	na	na
Ponds India dropped 8 per cent after the cosmetic company proposed a one-for-one bonus issue.								
Indonesia	Jakarta Comp.	558.14	575.02	598	740.83 8/7	479.01 2/9	1.79	18.2
Investors wait for more government measures to boost the economy.								
Ireland	ISEQ Overall	3572.32	3590.65	3598.29	3725.99 6/8	2725.07 2/1	2.44	18.4
A slack day as investors awaited further leads from foreign markets.								
Israel	Mishtanim 100	288.43	291.04	292.41	311.76 8/8	214.15 2/1	na	na
Elite Industries stocks 5.4 per cent higher as investors reassess Wednesday's news of a huge second quarter loss.								
Italy	BCI Comit 30	218.28	218.59	221.49	231.00 23/7	155.74 2/1	1.72	23
	Banca Com Ital	903.54	914.88	910.37	958.16 23/7	642.55 2/1		
	Mibtel General	14398.0	14543	14677	15163.00 23/7	10488.00 2/1		
Against trend, Montedison rose 5 per cent on speculation of a reorganisation which would include asset sales.								
Japan	Nikkei 225	18282.23	18704.77	18695.97	20681.07 16/6	17303.65 10/1	0.8	48.7
	Nikkei 300	278.39	281.48	281.82	303.71 28/7	251.04 27/1		
	Topix	1415.68	1441.03	1441.21	1560.28 26/6	1328.82 10/4		
	2nd Section	1569.24	1579.88	1581.42	1848.25 30/6	1518.50 15/4		
Concerns that the yen may continue to strengthen against the dollar hit major exporters.								
Jordan	Amman SE	(c)	175.87	174.79	- -	- -	na	na
Malaysia	KLSE Comp.	834.17	863.08	868.75	1271.57 25/2	731.12 4/9	2.04	14.6
Wall Street's overnight fall and an anti-climatic speech by Malaysia's deputy PM contributed to the market's weakness.								
Mexico	IPC	4703.17	4822.11	4837.86	5212.89 6/8	3358.45 2/1	1.26	18.7
♣ Shares opened sharply lower, and continued to weaken in line with Wall Street.								
Morocco	CFG25	676.39	677.74	676.32	868.75 23/4	481.90 3/1	na	na
SNI, second largest private conglomerate, weak on rumours about a possible capital increase.								
Netherlands	CBS TtlRtnGen	1028.1	1051.6	1067.1	1164.80 7/8	730.60 2/1	2.06	23
	CBS All Shr	590.7	605.3	614.4	684.40 7/8	429.00 2/1		
Heineken bucks weak trend on last minute buying ahead of today's first half results.								
New Zealand	Cap. 40	2467.66	2435.11	2478.13	2575.52 30/7	2207.46 1/4	4.22	19.3
Fletcher Energy surged to a high of NZ$6.82 following positive news from its Maui-Kupe-2 well.								
Nigeria	SE All-Share	7489.17	7520.54	7546.56	- -	- -	na	na
Selling pressure continued in response to falling corporate profits.								
Norway	Oslo SE Ind	2139.87	2148.04	2157.87	2217.26 7/8	1488.03 2/1	1.81	15.1
Mining group Kvaer continued to shine, up another 12 per cent on news of Rheno gold find.								
Pakistan	Karachi SE	(c)	1826.05	1823.59	2036.98 28/7	1341.31 7/1	na	na
Closed for a national holiday to mark the anniversary of Pakistan's founder Mohammed Ali Jinnah.								
Peru ♣	Lima Gen	1972.88	1983.27	1997.78	2289.49 10/7	1425.70 2/1	na	na
Philippines	Manila Comp	2146.29	2212.77	2228.85	3447.80 3/2	1950.41 2/9	1.13	13.8
Banking stocks hit particularly hard but central bank denied that banking industry faces problems similar to Thailand.								
Poland	WIG	17456.0	17587.6	17430.8	18339.40 18/2	14421.69 6/1	1.35	12.4
Shares lower on profit-taking after three-day rally.								
Portugal	BVL 30	3403.00	3450.43	3445.71	3803.98 7/8	2165.57 2/1	1.72	25.2
	PSI 20	7910.85	8025.07	8011.43	8950.68 7/8	5182.34 2/1		
Cement group Cimpor weak ahead of first half results, announced after market closed, in event, well ahead of expectations								
Russia	RTS	489.44	504.77	505.84	580.23 8/8	213.38 6/1	na	na
A lethargic market although some dealers reporting switching from leading liquid shares to less liquid stocks.								
Singapore	SES All-S'pore	462.71	471.58	476.7	573.03 17/2	437.84 2/9	1.8	15.7
	Straits Times	1927.88	1944.63	1919.88	2271.86 20/1	1788.44 1/9		
Clawed back from an early low of 1,906 but still finished down on Wall Street and Malaysian blues.								
Slovakia	SAX	181.29	174.7	174.09	208.84 21/3	164.81 22/7	na	na
Strength in oil refiner Slovnaft and oil and gas storage group Nafta provided support for broader market.								
South Africa	JSE Gold	556.6♥	875.6	881.3	1688.10 27/2	903.90 7/7	2.58	14.7
	JSE Indl.	8747.0♥	8912.7	8978.2	9314.20 7/8	7859.50 2/1		
De Beers fell to lowest level for seven months on expectations of weak retail sales in second half of the year.								
South Korea	KoreaCmpEx**	685.37	691.62	688.97	792.29 17/6	611.86 7/1	1.99	16.4
Stocks reversed earlier losses to end higher as investors bought large-cap shares shortly before the close.								
Spain	Madrid SE	585.85	589.72	(c)	628.15 7/7	494.54 2/1	2.30	19.6
Telefonica posts 1.8 per cent loss on profit-taking after recent sharp rises.								
Sri Lanka	CSE All Share	796.60	800.7	802.7	869.70 21/7	608.70 2/1	na	na
Lack of buyers as local investors remain on the sidelines ahead of new plantation issues which begin next week.								
Sweden	AffarsvardsGen	3085.0	3132.4	3150.3	3315.80 7/8	2378.50 2/1	1.8	22.2
Market downbeat on news that ruling Social Democrats planned to use budget surplus to boost public spending.								
Switzerland	SMI Index	5280.8	5358.7	5445.1	6012.80 8/7	3822.80 7/1	1.27	21.1
	SPI General	3412.27	3458.89	3504.98	3768.79 8/7	2508.22 6/1		
Derivatives-related selling of blue chip heavyweights sent market lower for fourth straight session.								
Taiwan	WeightedPr.**	9115.10	9145.18	9079.36	10116.84 26/8	6844.75 6/1	0.91	35.4
Index recovered from lows as electronics sector erased much of its sharp early losses.								
Thailand	Bangkok SET	552.09	541.55	565.01	858.97 22/1	484.77 19/6	5.07	8.8
Banks and financials headed rebound though investors worried premier might call snap election.								
Turkey	IMKB Nat 100	2283	2259	2235	2293.00 11/9	985.00 2/1	2.5	13.1
Strong gains in banking sector sustained eight day rally and took market to sixth consecutive record high close.								
Venezuela ♣	IBC	10385.57	10459.33	10430.54	10646.38 8/9	6061.89 12/3	na	na
Zimbabwe	ZSE Industrial	(c)	(u)	(u)	12081.95 5/8	6639.88 2/1	na	na
Drought worries continued to keep buyers out of the market.								
WORLD	FT/S&P World(§)	(u)	255.16	257.98	267.21 31/7	216.81 14/4	na	na
	MS Capital Intl$	924.0*	934.0	944.9	981.30 31/7	794.50 14/4	na	na
CROSS-BORDER	Eurotrack 100	2548.92	2601.16	2619.07	2794.86† 7/8	1893.80 2/1	na	na
	FTSE E100	2142.71	2177.04	2210.69	2355.86 7/8	1582.99 2/1	na	na
	HSBC JC Drgn	(u)	380.89	386.4	404.83 6/8	348.31 1/9	na	na
	ING Bngs Emrg	174.22	177.51	178.75	196.81 9/7	169.74 3/1	na	na

** Sat Sept 6 : Taiwan Weighted Price 9382.73; Korea Comp Ex 702.91. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Sep 11 - 3880.24 −137.78. † Correction. * Calculated at 15.00 GMT. ■ Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation. ♣ Yields and P/E ratios are based on Datastream Total Market Indices. ♣ Midsession.

NASDAQ NATIONAL MARKET

2:45 pm September 11

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
ACC Corp		58	350	30¾	28¼	46	−⅛
Acclaim 2			212	4	3⅞	4	
[illegible]							

AMEX PRICES

2:45 pm September 11

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]							

EASDAQ

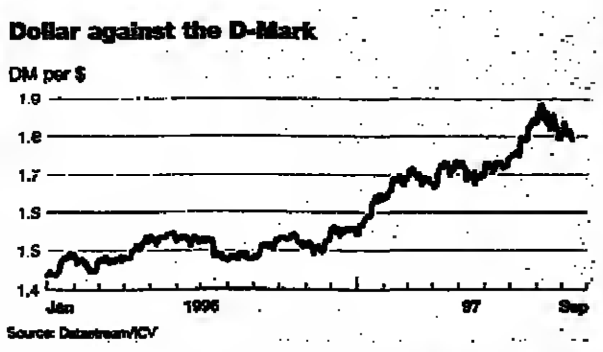
EASDAQ is a fully regulated independent pan European Stock Market focused on high growth companies with international aspirations. The shares of companies on the EASDAQ Stock Market can be bought and sold through EASDAQ Members.

Company	Mid price	Change	Volume	High	Low	Company	Mid price	Change	Volume	High	Low
ActivCard	US$3.375		10000	8.25	2.875	Lernout & Hauspie	US$34.125	+2.375	207336	38.75	25
Artwork Systems	US$8	−0.125	8050	11.125	7.875	Mercer Int'l	US$10.125	+0.125	0	11.75	8.125
Chemunex	FFr10		0	18	10	NTL	US$26		0	26.25	20.5
Debonair Holdings	GBP6.25	−0.05	92500	7.15	4.5	PuTech	US$3.625		8	8.125	3.375
Dr Solomon's ADS	US$28.25	−0.375	30	30.75	16.875	Schoeller-Bleckmann	Sch1573	−2	65	1692	900
EDAP TMS	US$6.5625		8	9.125	6.5	Topcall Int'l	Sch3805	+15	400	3908	3065
Esprit Telecom ADS	US$5.75		0	12.25	5.375	Turbodyne Technol.	US$6.05		2600	6.25	3.73
Innogenetics	US$9.875	−0.125	26319	12.75	9.875						

Prices for 11/9/97. Please note that mid prices are now used to calculate highs and lows. Information about EASDAQ can be found on the Web site at HTTP://WWW.EASDAQ.be EASDAQ offices are located in Brussels (Tel. 32-2 / 227 65 20) and in London (Tel 44-171 / 489 8990)

Dollar continues to cast shadow on stocks

WORLD OVERVIEW



The foreign exchange markets continued to cast a long shadow across activity on the world'e stock markets yesterday. Ironically, both the dollar's long rally and the possibility that the US currency might have peaked, were cited as negative factors, *writes Philip Coggan*.

The day started with markets reacting to Tuesday'e falls on Wall Street, which had been prompted by concern that the strength of the dollar was set to undermine US corporate profits.

One of the underpinnings of the US bull market has been the scope for global brand names, such as Coca-Cola, Gillette and IBM, to produce above-average earnings growth. That prospect has been threatened recently by both the crisis in Asia and by currency movements.

Then Asian markets took another batb, as investors took umbrage at the lack of detail in Malaysia'e plan to cnt its current account deficit and sold the ringgit, the Indonesian rupiah and the Philippine peso. In Tokyo, the Nikkei 225 took a hit from tbe extremely weak second-quarter gross domestic prodnct data, which appeared to rule out an interest rate increase until 1998, and gave some support to the yen.

In Europe, hawkish commants from Otmar Issing, the Bundesbank's chief economist, cast a pall over the markets. He said: "In Germany, we have seen a turning point in inflation. Indicators are going in the wrong direction. It is not a dramatic change, but the trend has changed and we in the Bundesbank are concerned about that."

The D-Mark gained a pfennig against the dollar in London trading yesterday, partly on the back of Mr Issing's comments, which revived fears of a rise in German interest rates. Most continental bourses lost ground, with the FTSE Eurotop 100 index dropping 1.8 per cent.

"The strengthening of the D-Mark against the dollar has pulled the rug from under one or two markets," said Richard Kersley, equity strategist at BZW. Ironically, it may also have hit Wall Street. "The equity market in the US has been tracking the dollar quite closely," said Bill O'Neill, international investment strategist at HSBC James Capel.

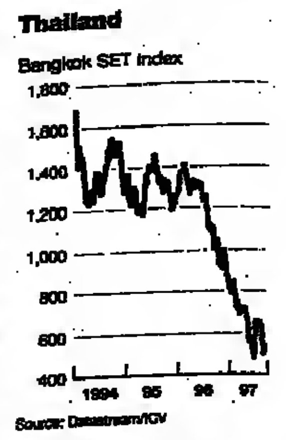
By the end of European trading, the trend had come full circle, with the Dow Jones Industrial Average down another 60-70 points. That loss had widened to more than 130 points by lunchtime in New York, as concern over corporate earnings combined with nervousness about the pace of economic growth to encourage investors to trim holdings.

Not long ago, the US market went up on the back of robust economic data (good for earnings) and on signs of a slowdown (good for bonds). When almost any newe – including both dollar weakness and dollar strength – is cited as negative for markets, that may be a sign that investors are adopting a bearish slant.

London market, Page 32

EMERGING MARKET FOCUS

Political winds ruffle Bangkok



Every time Thai prima minister Chavalit Yongchaiyndh opens his month to speak about politics, investors in Bangkok close their months to hold their breath.

Yet this week the political temperature has, if anything, risen sharply. A parliamentary vote on Thai constitutional reform is set for early October. But as the deadline approaches there are fears that reform could be blocked.

Last week, Mr Chavalit, when asked whether he was supporting a new constitution designed to reduce the role of money in politics and create a more effective and stable government, replied: "I am 100 per cent." But this was perceived as ambiguous in the financial markets. On the following day the baht fell by more than 7 per cent, crushing the dollar value of a market that barely budged.

Subsequently, the prime minister, under direct pressure from military and business circles, made it clear that his fractious six-party coalition would support the newly proposed constitution, thus ensuring its passage through parliament. On Monday the market gained 6 per cent and the baht recovered some lost ground.

But this week when voting was delayed until after a no-confidenca debate against Mr Chavalit, scheduled for September 24-25, shares fell 4 per cent. The delay gives the prima minister time to manoeuvre – including dissolving parliament and calling an election which would put the new constitution in limbo.

When there is no major political news, market volumes and price movements are low. "Until tbe no-confidence debate, nothing fundamental is going to happen to the Thai market," says Russell Kopp, head of research at Dresdner Kleinwort Benson.

The new constitution is seen by investors as necessary to usher in a government that can handle the country's myriad of economic problems and satisfy stringent conditions laid down by the International Monetary Fund which is backing a $17.2bn bailout package for Thailand.

Should the new constitution be voted in, reform will not happen overnight. A cooling off period of 10 months is part of the process. At the earliest it will be late next year before any fruits of reform will be seen, said one broker.

"Politics doesn't help but investors are also waiting for other things," says Rob Collins, head of research at Paribas Asia Equity.

Until a stabilisation package for the financial system is implemented and the two-tier currency system is abolished, investors have no way to gauge the real value of the share market.

While investors wait for events to unfold, most brokers feel the leading SET index has a downside of about 450, the level reached before July'a devaluation, and an upside of about 600.

However, political change was thought to be in the wind yesterday. The SET index rose against a clear downtrend across Asia, closing almost 2 per cent higher at 552.09.

Ted Bardacke

US equities drop steeply at midsession

AMERICAS

US equities fell steeply in early trading with weakness in technology and multinational stocks pushing the Dow Jones Industrial Average down by more than 130 points at one stage, *writes John Labate in New York*.

Concerns about Asian markets and worries that US economic expansion could translate into higher interest rates mauled sentiment. "With the domestic economy growing faster than anyone expected at the start of the year, it's turning virtue into vice for many large cap stocks," said Bill Meehan, chief market analyst at Cantor Fitzgerald.

Earlier in the year, large multinational stocks were pushed higher on the understanding that their presence overseas would shield earnings in the event of a US slowdown. Turmoil in Asia, matched wlth renewed etrength in the US, have now convinced many shareholders that such shares are expensive.

At 1 pm, the Dow was off 122.64 at 7,596.64, a loss of 1.6 per cent. The Standard & Poor's 500 lost 14.90 at 904.13 and the Nasdaq composite index 17.44 or 1.1 per cent at 1,621.81. The Russell 2000 index came off 3.13 to 433.77.

Nearly all Dow stocks traded lower. General Electric fell $2¼ at 63\frac{11}{16}$ while Walt Disney lost nearly 4 per cent or 3\frac{1}{16}$ at $74¾. IBM, which fell steeply earlier in the week on rumours of disappointing third-quarter earnings, traded only slightly lower, off $$\frac{3}{16}$ at $97.

Computer-related shares suffered from the sell-off. "It's a pure shift out of the technology stocks," said Arthur Hogan, senior equity trader at Morgan Stanley. Networking computer stocks lost ground as indnstry leader Cisco Systems fell $1½ at $71. Ascend Communications, which plunged after reports that Salomon Brothers bad lowered its rating on the stock to "hold", fell $2½ or more than 6 per cent to $37½.

Shares in Corning plunged $5¾ or more than 11 per cent to $41⅝ following a profits warning. In contrast, BET Holdings, the television group, surged 9\frac{11}{16}$ or nearly 24 per cent to 50\frac{5}{16}$ on the announcement of a takeover bid.

TORONTO came under pressure from Wall Street at the opening bell and by the close of morning trading had run up beavy losses.

Both banks and golds ran into clear profit-taking. At the noon calculation, the 300 composlte index was off 45.56 at 6,723.90.

Index hesvyweights Royal Bank of Canada and Toronto-Domlnlon Bank were both steeply off. The former sbed 85 cents to C$63.90 and Dominion lost 45 cents to C$43.55. Bank of Montreal softened 10 cents to C$52.90.

Resource stocks had an equally dull start. Barrick Gold gave op 65 cents to C$29.80 and Placer Dome 5 cents to C$22.00. Solid State Geopbysical shed 10 cents to C$1.50 after forecasting a net loss for the year.

Among telecoms stocks, BCE lost 15 cents to C$40.00 while Northern Telecom gained C$3.00 to C$134. Newbridge Networks fell C$2.25 to C$74.70. Alcan Aluminium dipped 40 cents to C$48.30.

Sao Paulo depressed

Latin American centres moved steeply lower in the wake of the early shakeout on Wall Street, notably Sao Paulo which ran up losses of more than 4 per cent after an active morning.

SAO PAULO was the heaviast casualty of the opening session, weighed down by concerns about rising US bond yields. The tangle that plans for a Telebras share issue appear to have got into also hit sentiment. Telebras came off 4.68 per cent to R$132.50. At midsession, tbe Bovespa index was down 493 at 10,868.

MEXICO CITY was off 92.85 or 1.9 per cent at 4,729.26 on the IPC at midsession. TelMex shed 28 centavos to 17.64 pesos and financial leader Bancomer lost 14 centavos to 4.86 pesos. Steel group Tamsa stood ont against the broad downtrend, gaining 80 centavos to 154.30 pesos.

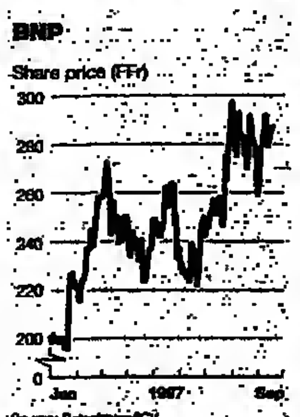
Frankfurt takes 3.4% tumble

EUROPE

The weak dollar and losses on Wall Street kept the pressure firmly on leading European markets. FRANKFURT was the hardest hit of the major markets with a 3.4 per cent tumble in late electronic trade. A 137.76 fall took the Ibis-indicated Dax index to 3,890.24, its lowest level since August 29.

J.P. Morgan, the investment bank, added to the malaise by reducing its recommendation on German stocks to neutral from overweight, citing the number of planned capital increases in Germany. Too often in the past, companies appeared to raise capital as if saving for a rainy day, it said. If that type of mantality became apparent again, then investors could understandably take the vlew that lt might be time to take profits.

On the corporate front, the path was cleared for Germany's largest hanking merger after Bayerische Vereinsbank, down DM4.80 at DM95, said that a share swap essential for its merger with Bayerische Hypotheken-und Wechsel-Bank had been successful. Hypo eased 40pfg to DM63.90.



Allianz dropped DM6 to DM407 on news that it would own a 15 to 17 per cent stake in the new bank.

Commerzbank, which on Wednesday became the latest German company to announce plans for a capital increase, fell DM2.78 to DM58.52 in heavy Ibis trade. Goldman Sachs and Credit Suisse First Boston both downgraded their recommendation on the stock.

Elsewhere, chemical companies were hit by the weaker dollar. Hoechst tumbled DM4.05 to DM73.80.

PARIS ended comfortably above lts lows for the day thanks to a batch of strong earnings etatements from the banking sector. The CAC-40 index closed down 30.97 at 2,843.60, against a session low of 2,829.46.

Banks swam euccessfully against the tide. Paribas disappointed, but yesterday's raft of results from the sector mostly came in well above expectations. Société Générale jumped FFr23.00 to FFr809, BNP advanced FFr9.20 to FFr288.3 and CCF added FFr5.00 to FFr809.

There was widespread talk of earnings upgrades at BNP and SocGen following strong interim figures and both sets of shares were actively traded. Paribas patently failed to please, sliding by FFr22.10 or 5 per cent to FFr421.5.

Textiles group Chargeurs rose FFr23.00 or 6.3 per cent to FFr390 on upbeat interims and an improved profits forecast for the year as a whole. Dull spots among smaller caps included media groups Publicis and Pathé, both of which tumbled more than 1 per cent.

Publicis fell FFr6.00 to FFr530 on news of a UK advertising agency acquisition. Pathé came off FFr12.00 to FFr1,170 after announcing provisions to cover potential film risks, notably those associated with the yet to be released *Lolita*.

AMSTERDAM continued to move lower, extending its losses this week to more than 60 points as the AEX index closed off 21.54 at 856.02. Financials stayed at the bottom of the performance, hut Heineken staged a modest rally.

ABN Amro was again actively dealt, sliding Fl 1.70 or 4.3 per cent to Fl 37.80 in 8.4m shares traded. Retailer Ahold shed Fl 2.20 to Fl 48.30 and chemicals leader DSM came off Fl 10.10 or 5.3 per cent to Fl 179.30.

Brighter spots took in KLM, up 60 cents to Fl 72.70, and a clear bounce for Heineken which rose Fl 4.00 to Fl 317 after sliding more than 11 per cent since late August. The interim results statement is today.

Bnilder Amsterlland turned in better than expected interim results hnt dipped 40 cents to Fl 56.00. Baan moved ahead strongly at the opening bell following news of e licence contract from Komatsu of Japan. However, the shares ended off 50 cents at FL 128.aid.

ZURICH came in for further derivatives-linked selling which sent tha market down for a fourth straight session. The SMI index fell 75.9 to 5,280.8, extending its loss since the start of the week to 4.8 per cent.

Traders said that derivatives preseure centered largely on the index heavyweight stocks. Nestlé dipped SFr26 to SFr1,789, Roche certificates fell SFr260 to SFr12,690 and Novartis dropped SFr51 to SFr2,094.

Among the financials, merger partners CS Group and Wintarthur closed higher after recent scepticism over the partnership. CS Group rose SFr2.50 to SFr180.50 and Winterthur gained SFr12 to SFr1,305.

MILAN saw further activity in Montedison, up L58 at L1,214, on speculation that the company may be planning the sale of Italian or foreign assets. Compart, its parent company, added L20.7 at 896.4. The broad market, however, was weak and the real-time Mibtel index gave up 147 at 14,396.

FTSE Actuaries Share Indices — European series

September 11

National & Regional Markets	Ecu index	Day's %	change points	Yield gross %	xd adj	Total retn (Ecu)
FTSE Eurotop 300	919.58	−1.82	−17.16	2.43	0.00	922.12
FTSE Eurotop 100	2142.71	−1.58	−34.33	–	–	–
FTSE Eurotop 300 Regions						
300 UK	918.18	−1.43	−13.35	3.41	0.00	923.91
300 Ex-UK	921.22	−2.05	−19.28	1.87	0.00	921.80
300 Eurobloc	918.15	−2.21	−20.78	2.07	0.00	919.03
300 Ex-Eurobloc	921.53	−1.56	−14.47	2.66	0.00	925.11
FTSE Eurotop 300 Economic Groups						
Resources	950.98	−1.77	−17.15	2.78	0.00	952.43
General Industries	947.38	−1.98	−19.09	2.07	0.00	948.01
Consumer Goods	877.37	−2.07	−18.54	2.07	0.00	879.42
Services	917.07	−1.32	−12.24	2.37	0.00	918.84
Utilities	921.45	−1.43	−13.37	3.37	0.00	926.72
Financials	919.58	−1.92	−18.01	2.48	0.00	923.37

Base value 1000. More information on http://www.ftse.com. "FTSE" and "Footsie" are registered trade marks of the London Stock Exchange and The Financial Times. "Eurotop" is a registered trade mark of the Amsterdam Stock Exchange. FTSE Eurotop indices are compiled by FTSE International. © FTSE International Limited 1997. All rights reserved.

SOUTH AFRICA

Diamond giant De Beers fell to a seven-month low as Johannesburg's all-share index came off 139.3 to 7,172 in heavy volume to extend its decline this week to 87 points.

Dealers said sentiment continued to shrivel on Wall Street's weaknese and renewed futures selling. De Beers fell R5.25 to R139.25. The industrial index sbed 165.7 to 8,747 and golds gave up 19 to 956.6.

Written and edited by Michael Morgan and Jeffrey Brown

Exporters take Tokyo lower

ASIA PACIFIC

Japanese stocks tumbled sharply yesterday, led by exporting companies affected by the yen's appreciation and Wall Street's fall on Wednesday, *writes Paul Abrahams*. Corporate cross-shareholders also booked profits before the end of the first half of the financial year.

The Nikkei 225 average fell 422.54 points or 2.26 per cent to close at 18,282, after moving between 18,188 and 18,625. Volume was heavier than earlier this week, reaching an estimated 380m shares. Of the 1,328 shares listed on the first section of the exchange 953 fell, 189 advanced and 115 were unchanged.

The Topix index of all first-section issues lost 25.35 points or 1.8 per cent to close at 1,415. The capital-weighted Nikkei 300 index dropped 5.09 points or 1.8 per cent, ending at 276.39.

Technology stocks suffered. Advantest dropped Y200 to Y12,000, Sony Y300 to Y11,000, TDK Y150 to Y9,710 and Kyocera Y210 to Y8,110. Automotive groups also lost ground, with Nissan down Y17 to Y703, Toyota Y70 to Y3280, Mazda Y12 to Y435 and Honda Y70 to Y3,770.

Tbe bank of Tokyo-Mitsubishi's announcement of masslve write-offs to cover bad and poorly-performing loans came after the market had closed. The stock had previously fallen Y30 to close at Y2,130. Sumitomo Bank dropped Y20 to Y1,700, and Dai-ichi Kangyo bank Y40 to Y1,360.

In Osaka, the OSE average dropped 295 points to 19,278, on beavy volume of 170m shares. In London, the ISE/Nikkei 50 index eased 4.76 at 1,566.13.

HONG KONG suffered a 3.4 per cent fall as foreign investors reduced their holdings and local investors, who bad been supporting the market, stayed away. The Hang Seng index lost 497.14 et 14,308.30 in turnover that eased to HK$21.1bn. Among China related etocks, the H-share index elumped 1.8 per cent while red chips gave up 1.4 per cent.

Today'e introduction of futuree contracts on the Hang Seng China-Affiliated Corporations index contributed to the nervous tone, as did the start of China's 15th communist party congress.

Against the trend, Hopewell Holdings surged 32.5 cents or 7.4 per cent to HK$4.725, supported by market talk that the company was close to reaching a solution on its troubled Bangkok mass transit project and rumours that a Chinese company was interested in taking a stake in the company.

HSBC Holdings led tbe blue-chip decline with a fall of HK$7 or 3 per cent to HK$228, contributing 94.37 points to the Hang Seng Index's decline.

KUALA LUMPUR was pulled back by a mixture of local and foreign factors after its recent sharp rebound. Tha composlte index lost 28.91 or 3.4 per cent to 834.17, up from a low of 821.02.

Analysts said sentiment was weakened by a speech by the deputy prime minister, Anwar Ibrahin, in which be said only the delay of several infrastructure projects, including the $6.2bn hydro-electric dam in the jungles of Borneo, would help reduce the current account gap.

MANILA was hit by political concerns and rumours of banking problems. Combined with the overnight shakeout on Wall Street this sent the composite index down 67.48 or 3.1 per cent to 2,145.29. Turnover was light at 2.2bn pesos but shares moved lower across the board. Banks and property led the way down. The property index fell 5.5 per cent. Philippine Long Distance Telephone improved 5 pesos to 885 pesos.

JAKARTA fell 18.88 or 3.3 per cent to 556.14 on the composite index for a two-day decline of more than 7 per cent. Banks and financials were among the hardest hit. Bank BII was the most actively traded stock, sliding Rp125 to Rp925 in 46m shares traded.

SINGAPORE felt the shakeout in the region and the Straits Times Industrial index finished off the day's lows at 1,927.68, down 16.95. Worries about the outlook for the Kia Group dragged SEOUL lower and the composite index was off 3.75 at 695.87. Speculation that local interest rates could be cut pulled SYDNEY up from the day's lows and the All Ordinaries index finished 0.7 weaker at 2,665.8.

RECRUITMENT

Charles Handy's new book offers managers some moral guidance, says **Richard Donkin**

Search for a social conscience

A week or two before its publication, Charles Handy, the management writer, was worrying about how his latest book would be received.* He feared managers would dismiss the book's massage that companies must take on a broader social responsibility.

Milton Friedman, the economist, maintains that the only social responsibility of business is to increase profits so long as companies are engaged in open competition within the law. This is in line with Adam Smith's dictum that the pursuit of self-interest benefits others through what he referred to as the "invisible hand".

Mr Handy's concern about a lack of boardroom interest was one reason why he projected the book at a wider audience. His assumption seemed reasonable given the tendency for directors to reward themselves for savings achieved through downsizing with big pay rises and share bonuses.

In the event the book appeared in a week like no other – when people's attention was wrenched away from their personal concerns. The "me" society of tha 1980s had been subsumed, for a short while at least, in an outpouring of grief at the death of Diana, Princess of Wales.

Many companies which, according to Mr Friedman, had no other business than making profits, closed their doors on the day of her funeral as a mark of respect. If anyone were in any doubt that businesses are tha people that work in them, here was proof that some events transcend shareholder interest.

So it seems fitting, as society tries to understand the meaning of recent events, that Mr Handy's book should be offering business some moral guidance. It is an area which is attracting other management writers. Watts Wacker, the US business consultant, has said that in the long term a company's beliafs are more relevant than its products.

Others have tried to make greater sense of business beyond that of creating wealth. It was Sir Montague Burton, the tailor, who said that a business must have a conscience as well as a counting house.

But there has been little evidence of this conscience in recent years. To some extent thosa businesses which have engaged outplacement services to deal with their redundant employees have been salving their consciences.

But Mr Handy says that the persistence with downsizing beyond the needs of re-engineering suggests that some companies have become too focused on the mechanism of capitalism at tha expense of any wider consideration for the welfare of their employees.

There is a business case for social responsibility within companies. Anita Roddick, the managing director of Body Shop, is fond of stressing the business benefits. "Being good is good business," she says. But Mr Handy recognises that in a democratic society people are capable of demanding changes.

This was evident in the government's gun controls in response to public outrage at the killings of 16 small children and their teacher in Dunblane. It was also evident last week in the way the prime minister and the royal family were forced to respond to public feeling over funeral preparations for the princess.

What might be described as people power is also felt by companies as consumer power, investor power and, to a lesser extent, employee power. It might be useful to quantify the whole as "stakeholder" power. The influence of stakeholders has been developed to sophisticated levels in the US. Looking at ethical investment web sites on the internet last week, I found an item on Bell Canada, the telephone company. In July, it aaid, the company announced that it was laying off 2,200 employees in response to a loss of market share.

This came on top of a downsizing programme aimed at reducing its workforce by a fifth – 10,000 employees. The job cuts are occurring at a time of rising profits. A small investor who held shares in the parent, BCE, wrote in the Toronto-based Globe and Mail last month: "I am offended and incensed that CEO Lynton [Red] Wilson does not believe a 10.2 per cent rate of return is adequate, so 2,200 jobs will be cut in the next three months. This is bottom line gone mad.

"Certainly a company needs to be profitable, but does Mr Wilson have any idea of the personal and family devastation that occurs with such job losses? To cut jobs when a company is losing money is one thing. To cut jobs when a company is profitable is a peculiar form of ethical behaviour."

This was one letter by one investor about one company but it illustrates the feelings of many people about the way companies have pursued efficiencies.

Such commenta reflect frustration with the executive, be it of a company or, indeed, a country. The call this week by the UK's Trades Union Congress at its annual conference in Brighton for a legal right for employees to have a trade union recognised by their company to negotiate their pay and conditions is a symptom of the way so many employees feel powerless in their relationship with their employer.

This need not ba the case. The TUC points out that only three of the UK's 45 largest companies do not have trade union recognition agreements. It is perhaps significant that two of those – Marks and Spencer and John Lewis – have long traditions of providing impressive employee benefits in addition to wages that are higher than their sector average. The others have learned to live with the unions.

Mr Handy outlines several examples where companies and their employees are at ease with each other, such as employee share ownership and high levels of mutual trust and business understanding.

Bertelsmann, the German media conglomerate, is a case in point. The majority of its equity has been passed over by the Bertelsmann and Mohn families to the Bertelsmann foundation which has a written constitution and by-laws. The company has a profit-sharing scheme for employees. The stated objectives of the company include one which says it should be making "the maximum contribution possible to society". Another says: "self-fulfilment of all persons working in the company must be made possible on the job". This is what Mr Handy calls "corporate citizenship made real".

If Bertelsmann can concentrate on the moral imperative, other companies can do so also. At a time that the UK, as a nation, is examining its collective values it would seem opportune for top management to consider values other than those of the shareholder.

This is not to deride the goal of profit. As Sir Arthur Bryant, the historian, once wrote when berating companies for having no conscience: "It is not the profit motive which is to blame. Free men have at all times sought profit from their labour. It is its enthronement to the exclusion of other motives far more important."

*The Hungry Spirit: Beyond Capitalism – A Quest for Purpose in the Modern World, *by Charles Handy, Hutchinson, £14.99*

E-mail: richard.donkin@ft.com

BANKING FINANCE & GENERAL APPOINTMENTS

LEADING MIDDLE EAST BANK

Excellent tax free compensation and expatriate benefits

Based in SAUDI ARABIA

Our client is one of the best capitalised and most secure banks in the Middle East region. It is at a point of major development. Currently in an expansionary phase, the bank requires highly motivated and talented professionals to maintain its market-leading position. The bank is offering you the opportunity to make a difference, to take on a real challenge and be well rewarded. The positions mentioned below demand innovative professionals who are self-motivated and have a strong work ethic. You will be the type of individual who makes a genuine difference to any organisation, and who can share expertise by acting as a coach and mentor to colleagues.

HEAD OF MARKETING, INVESTMENT SERVICES DEPARTMENT

The Position

- Report to the Head of Investment Services Department. The Department provides investment services to consumer, private banking and institutional clients.
- Plan and implement the marketing and sales of the Bank's entire range of investment products and services.
- Set targets for assets under management and ensure sales team is recruited, trained and motivated.
- Responsible for the achievement of sales targets and the marketing budget; manage a sales staff of approximately 10 people.

The Requirements

- University graduate/MBA, fluent in written and spoken English. Knowledge of Arabic would be a distinct advantage.
- At least 10 years of investment specialisation in banking with 5 years in a marketing function.
- Familiar with a wide range of investment products and asset allocation strategies as well as marketing techniques and management of sales staff.
- Ability to operate within the matrix structure of the bank.

Ref: 90380/D

INVESTMENT MANAGER

The Position

- Report to the Head of Investment Banking and be a member of the Bank's Investment Committee.
- Responsible for the implementation of the Bank's investment programme for a portfolio of some $2 billion which is managed by external portfolio managers.
- Monitor the Bank's risk policies, liquidity needs and funds available for investment as determined by Asset/Liability Committee.
- Continually review investment policy and external managers' performance; report and make recommendations to Investment Committee.

The Requirements

- University graduate, fluent in written and spoken English.
- Strong analytical capability and appropriate experience in investment management gained in a bank, fund management or insurance company.
- Hands-on experience of devising strategic multi-currency investment policies, possibly gained from a treasury background.
- A team player who can set priorities and is aware of the need for a vigilant approach.

Ref: 90380/E

HEAD OF CORPORATE FINANCE

The Position

- Report to Head of Investment Banking.
- Responsible for the management of the Bank's Corporate Finance Department which focuses on Advisory Services, Syndicated Loans, Oil and Petrochemical Relationship Management.
- Manage and expand an existing syndicated loans book of over US$1 billion.
- Identify and pursue major corporate and project finance mandates; maintain and reinforce the Bank's position as a leading deal arranger in the region.
- Set the business and department objectives, goals and priorities; build and direct an effective team.

The Requirements

- At least 10 years' experience in banking or in Oil and Gas, Power, Transportation or other infrastructure industry.
- University graduate, fluent in English, with strong analytical and communication skills.
- Proven business development skills and thorough knowledge of credit.
- Ability to lead and motivate is essential.

Ref: 90380/H

CORPORATE FINANCE ADVISORY SPECIALIST

The Position

- Report to Head of Corporate Finance.
- Responsible for development, marketing and execution of fee based advisory services.
- Products to include M&A, valuations and restructuring, joint venture formation and other financial engineering.
- Establish and direct an effective team.

The Requirements

- University graduate, fluent in English.
- Knowledge of wide range of corporate finance and banking products.
- Computer literate with strong financial analysis and communication skills.
- Team player with demonstrable record of client relationship management.

Ref: 90380/G

SENIOR CORPORATE OIL & PETROCHEMICAL SPECIALIST

The Position

- Report to Head of Corporate Finance.
- Provide a detailed knowledge of the industry, its standards and international business environment.
- Manage relationships with major industry participants.
- Expand existing relationships and identify new business relationships.
- Work closely with Regional Marketing Managers and other Product Specialists.

The Requirements

- At least 10 years' experience in the oil and gas/petrochemical industry.
- University graduate in petroleum/chemical engineering or equivalent. Must be computer literate and fluent in English.
- Excellent credit and risk assessment skills derived from experience of project evaluation, financing and risk analysis.
- Proven success in the oil and gas/petrochemical industry, with skills to communicate both externally and within the bank.

Ref: 90380/F

Please send your CV with current salary details to: K/F Selection, 252 Regent Street, London W1R 6HL, quoting the appropriate reference, to arrive no later than 26 September 1997.

Alternatively send by fax on 0171-312 3380 or e-mail to kfs-london@kornferry.com
Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

CHASE

When it comes to servicing
your global investments,
we move across borders,
through markets, over continents,
past time zones
and down under.

All in a day's work.

GLOBAL INVESTOR SERVICES

CHASE. The right relationship is everything.℠

RELATIONSHIP MANAGERS

GLOBAL INVESTOR SERVICES

London based opportunities with the leading custody provider

Chase is the world's largest global custodian with US $4 trillion of assets under custody worldwide and has been at the forefront of the industry since its inception. As a result of the continuing growth and increasing complexity of the business, we are now seeking a number of additional Relationship Managers at various levels, to service clients across Europe within the fund management, pension and banking sectors.

The successful candidates will have several years' relevant operational, administrative or client management experience gained in the securities industry, ideally within one of the aforementioned sectors. As well as excellent interpersonal, communication – both verbal and written – and problem solving skills, we would expect you to demonstrate a keen interest in the financial markets generally as well as your chosen client industry.

These demanding and high profile roles offer scope for career development throughout the bank globally. A highly competitive remuneration package is offered along with an attractive range of benefits.

Please send your CV to or contact our Managing Consultant **Ian Dodd, Executive Director**
The Devonshire Group Plc, 7 Birchin Lane, London EC3V 9BY.
Tel: +44(0)171 626 2150. Fax: +44(0)171 626 2092. e-mail: exec@devonshire.co.uk

Any CV's sent direct to Chase will be forwarded to The Devonshire Group.

International Venture Capital

London — Competitive Remuneration

Our client established almost 50 years ago, is a leading global investment manager. Supported by years of experience and in excess of £1.5bn invested in over 50 countries, the group is ideally placed to continue its highly effective investment strategy.

The development and growth of the business has generated the need to recruit several exceptional individuals to join a highly focused and experienced team of investment professionals.

Successful individuals will be expected to energetically participate in identifying potential investments in specific geographic areas and market sectors. Once identified the emphasis will be on deal structuring, evaluation and due diligence. A key aspect will be the ability to take deals from conception to completion.

Candidates will be highly motivated ACA's/MBA's, corporate financiers, venture capitalists or strategy consultants. Transaction experience will have been gained with a leading firm in its respective field. The group presents the opportunity to apply your financial, strategic, commercial and entrepreneurial skills within a self-starting, highly successful international environment.

All applicants must possess strong academic credentials, excellent interpersonal skills and the confidence to represent the group world-wide. Candidates must also exhibit exceptional potential and a willingness to travel up to 30% of the time sometimes at short notice. Individuals with an international background would be of particular interest.

The package will be competitive as will be the opportunity to develop a career in a stimulating international environment.

Applicants should write, in the strictest confidence, to Robert Walker or Brian Hamill at Walker Hamill Executive Selection, forwarding a brief résumé quoting reference RW 3462.

WALKER HAMILL
103-105 Jermyn Street
St. James's
London SW1Y 6EE
Tel: 0171 839 4444
Fax: 0171 839 5857

EMERGING MARKETS SEARCH & SELECTION

Structured Finance Professionals

London

Our client is the London based Capital Markets subsidiary of one of the world's largest banks, with principal offices in London, Tokyo, Hong Kong and New York. They have recently created a dedicated team to centralise the Global Structured Finance activities of the bank from London. Working in close co-operation with the bank, the new Structured Finance Group will be responsible for the origination, structuring and execution of transactions on a global basis, to include the markets of Europe, Latin America and Asia. The aim of the group is to provide tailored solutions to clients' financing needs in all areas of Structured Finance.

The Group, under the leadership of highly experienced market professionals, currently has a need for a number of individuals at intermediate and senior levels with experience in one or more of the following areas:

- **Asset Securitisation**
- **Project Finance**
- **Leasing**
- **Derivative Repackaging**
- **Structured Trade Finance**

The positions offer great flexibility with regard to previous areas of geographic and product focus. Of more importance are the following qualities:

- **Strong commercial sense**
- **Flair for deal creation**
- **Proven track record of profitable deals**
- **Motivation and determination to see e deal through to completion**
- **Strong interpersonal skills**
- **Proven marketing and presentation expertise**
- **Team spirit**

This is a tremendous opportunity for highly motivated individuals to join a newly focused team of experts, bringing their individual experience to the team, and to help grow a successful and profitable structured finance business.

Please send your CV's in strictest confidence to: Gwen Bialeck at
Emerging Markets Search & Selection, 12-14 Masons' Avenue, London EC2V 5BT.
Tel: 0171 600-4744 Fax: 0171 600-4717 e-mail: gwen@emss.co.uk

Commerzbank AG, a leading international German bank, is an active participant in global financial markets. Our banking business is growing rapidly, notably in syndications, international structured, project finance and export finance. These are unusual opportunities to join our London operations.

SENIOR CORPORATE BANKER

This vacancy is for the Leader of one of four UK Corporate Banking teams. The successful applicant will report to the General Managers/Head of Corporate Banking and will have considerable autonomy, with responsibility for the entire relationship with a section of UK and international customers. Applicants (aged 35-45) must be accomplished credit officers with broadly based banking experience across a range of products and industry sectors and must have the ability to deal creatively with increasingly sophisticated corporate requirements. Experience in structured finance will be viewed positively and a knowledge of the transportation, oil and gas, retail or insurance sectors will be an advantage. This position demands not only the maturity to maintain a consistently high level of customer contact, but also a banker with the spirit to develop new customers and to manage an existing portfolio of customers handled by a small team. *Ref: 6544/FT*

CORPORATE BANKER

A vacancy also exists for an experienced Corporate Banker (30-40) to join one of the UK teams. As for the Senior Corporate Banker, *a strong credit training and good breadth of experience as a* relationship manager to leading UK corporates is essential and we seek ambitious individuals with the ability to develop business with a portfolio of sophisticated customers with complex requirements. Experience in the telecoms/cable, property or hotel/leisure sectors will be an advantage. *Ref: 6545/FT*

SENIOR CREDIT ANALYST

with structured/project finance experience

We have an established Risk Management team which is independent of the product groups and is responsible for company and transaction analysis within specific sectors for major British and international corporates. This vacancy is the result of a promotion and offers a significant role for a senior analyst with extensive experience of analysing and adding value particularly to complex international structured and project finance transactions. We invite applications from candidates with credit training from a leading bank, at least 5-6 years' well-rounded high quality credit analysis experience and the personality to contribute substantially at a senior level to the team. *Ref: 6546/FT*

RISK ANALYST -

Financial Institutions

Our Financial Institutions Risk Management team supports Corporate Banking and Treasury. The Risk Analyst will be responsible for the financial analysis, rating, evaluation of management, legal and market risk for UK and Irish banks, foreign bank branches and subsidiaries, investment and securities houses, brokers and fund managers, the preparation of the credit applications and the monitoring of the loan portfolio and other facilities. The brief includes the credit approval for investments for the branch's own portfolio and applications for MM and derivatives facilities. We invite applications from candidates with credit training from a leading bank, broad-ranging credit experience and a minimum of 2 years' assessing financial institutions' risk. This is a key position in a small team with senior level contact and close liaison with Head Office. *Ref:6557/FT*

For the right candidates for these positions an attractive remuneration package will be negotiable. Please quote the reference and send, in strict confidence, full career and salary details to our consultants: CJA, 2 London Wall Buildings, London Wall, London EC2M 5PP, fax 0171 256 8501 or telephone 0171 638 0680 for an initial discussion. Applications sent to Commerzbank will be forwarded to CJA.

COMMERZBANK
German knowhow in global finance

GERLING NAMUR

SENIOR CREDIT INSURANCE UNDERWRITER

Attractive remuneration package — **LONDON, UK / NAMUR, BELGIUM**

The Gerling-Namur Group is the world's third largest Credit Insurer and is currently the only Credit Insurer to have a network of more than 50 regional offices in 14 European countries. The Gerling-Namur Group has a turnover in excess of £300 million. As a result of sustained growth, an exciting new position has been created for a Senior Credit Insurance Underwriter to join the UK operation, with an initial 12 month international training program, at the company's headquarters in Namur, Belgium.

The Position

- Senior position, with management and signatory responsibilities within the UK underwriting team.
- Assist in the definition and implementation of the UK risks policy including analysis and underwriting of UK/Irish risks for the entire Gerling Namur Group.
- Maintain strong relationships with major brokers and other intermediaries and develop national and international business.
- Work closely with the Sales Department to provide a high quality service to the insureds/brokers.

The Requirements

- At least 3-5 years' experience of credit underwriting.
- Excellent interpersonal and relationship management skills, with the ability to travel.
- Extremely technical with a strong attention to detail and the ability to prioritise effectively.
- Team player, capable of working with high energy levels, as part of a small, high-profile team.
- Ideally late 20's to early 30's in age, and of graduate calibre; fluency in another European language would be advantageous.
- International mindset, with a flexible approach to business solutions.

Please send your CV with current salary details to: Sara Kenderdine-Hair, K/F Selection, 252 Regent Street, London W1R 6HL, quoting ref: 90387A/04.

Alternatively send by fax on 0171-312 3380, or by e-mail to kfs-london@kornferry.com Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

LEADING US BROKERAGE FIRM

MARKETING & TRAINING MANAGERS

Excellent remuneration package — **LONDON**

Our client is a leading US brokerage firm, with over 3,600 offices in the US and Canada, who provides financial services to over 2 million individual investors. Founded in 1871, it is the largest brokerage firm in the US to serve individual investors exclusively.

Owing to the strategic growth of the business, two exciting new positions have been created for a high-calibre and dynamic Marketing Manager and Training Manager to join the newly established UK Headquarters in London.

Marketing Manager

- Promote and develop the brand through marketing, advertising and PR strategies.
- Develop marketing plans for promotions and liaise with the US Head Office for larger campaigns and strategies.
- Select, oversee and evaluate the activities of external suppliers.
- Excellent organisational and interpersonal skills, *expertise in project planning and a high level of* written skills including copywriting and editing.
- Of graduate calibre, with at least 3-5 years' marketing experience ideally gained with an agency or within financial services.

Ref: 90352B/04

Training Manager

- Develop the skills, knowledge and attitudes of each new broker.
- Provide technical support to trainees in order to complete required exams and deliver the in-house training curriculum for all brokers.
- Must have extensive training experience gained from within a financial services, management consultancy, chartered accountancy or training organisation.
- Dynamic manager of graduate calibre, with outstanding interpersonal and presentation skills and the ability to work closely with a sales force.

Ref: 90352C/04

Please send your CV with current salary details to: Sara Kenderdine-Hair, K/F Selection, 252 Regent Street, London W1R 6HL, quoting the appropriate reference.

Alternatively send by fax on 0171-312 3380 or by e-mail to kfs-london@kornferry.com Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

CREDIT SUISSE | FIRST BOSTON

Acquisition and Leveraged Finance

Associates/Analysts

London. — Competitive Packages

Credit Suisse First Boston is a leading global corporate and investment banking firm, providing comprehensive financial advisory, capital raising, sales and trading, and financial products for users and suppliers of capital around the world. As of January 1, 1997, it operates in over 50 offices across more than 30 countries and six continents and has over 10,000 employees.

Their investment banking professionals help clients raise debt and equity capital, and provide advice on mergers, acquisitions, divestitures, privatisations and other transactions. Their success is rooted in their approach of servicing every market throughout Europe, either with a local presence or through a dedicated team of bankers organised by country and centred in London.

There are currently opportunities within the Acquisition and Leveraged Finance team for top calibre individuals to focus on the origination and execution of highly structured deals. This could include acquisitions, re-capitalisations and buybacks involving debt ranging from investment grade to high yield. Geographical coverage will be for the UK, Western and Eastern Europe.

Specifically, we ere looking for analysts with 1-2 years' relevant experience, and associates with 3 years plus experience from major investment banks. You must have strong modelling skills and a track record of execution experience. Additional European languages would be beneficial, but not essential.

Ideally, candidates should have an excellent first degree (minimum 2:1), and possibly an MBA, ACA or similar professional qualification. Individuals without the relevant experience mey be considered, if they can demonstrate the requisite analytical skills and exceptional potential. The individual's calibre and experience will mean that they will be able to contribute effectively at an early stage. First class presentation skills and the ability to succeed in an entrepreneurial environment are prerequisites.

This is an outstanding opportunity to join a leading global investment bank renowned for its M & A and corporate finance advisory capabilities. Individuals looking for a career enhancement and with the will to succeed can expect excellent career development prospects. The remuneration package will include a competitive base salary dependent on experience and a performance related bonus and a full range of banking benefits.

For further information in the strictest confidence, please contact Anthony Cook on 0171 240 1040. Alternetively, send or fax your résumé, quoting reference no. 2637/02 to Morgan & Banks PLC, Brettenham House, Lancaster Place, London WC2E 7EN. Fax no. 0171 240 1052.

All direct responses will be forwarded to Morgan & Banks PLC.

e-mail: info@morganbanks.co.uk

http://www.morganbanks.com.au

Morgan & Banks
INTERNATIONAL

Progressive role in active equity management

Quantitative Analysts

Our client is a leading international investment bank and its asset management arm has a global reputation managing funds in excess of £60 billion. They have developed a strong quantitative overlay measuring risk and return in order to complement their qualitative and fundamental investment style. Committed to developing this process they now seek to recruit three talented quantitative analysts to join either the UK, European or Global equity teams. These analysts will be responsible for progressing this new venture and have an opportunity to play a leading role in enhancing investment philosophy.

The successful candidates will assume the following key responsibilities:

- Design and implementation of appropriate risk monitoring systems for equity portfolios.
- Optimisation and monitoring of asset allocation, currency position and stock selection.
- Scrutinise tracking errors and commonality between funds.
- Undertake specific projects and theoretical work on benchmark optimisation.
- Design and implementation of performance assessment and IT systems to assist fund managers.

Candidates will be highly numerate graduates with a minimum of two years' experience of working within an investment related or actuarial environment. An ability to work on a practical and theoretical level is essential, as is the ability to communicate and liaise effectively with fund managers. A familiarity with BARRA, Datastream and HOLT is preferred.

This is an outstanding opportunity for a young dynamic professional who wishes to apply and develop quantitative techniques to actively managed equity portfolios. A knowledge of investments, sound commercial judgement and high energy are also important.

Interested candidates should either telephone Elizabeth Arthur or Susan Langdon on 0171 491 4650 for a confidential telephone *discussion, or alternatively, write to them at* Stephenson Cobbold, 21 Arlington Street, London SW1A 1RN enclosing a full curriculum vitae and salary details. Fax: 0171 491 4630.
Email: elizabetha@stepcob.com

SC
STEPHENSON COBBOLD
LONDON - MOSCOW - NEW YORK

Megbizónk, a világ és Magyarország egyik legsikeresebb bankja, amely dinamikusan fejlődő szervezetéhez nemzetközi múlttal rendelkező, bankszakmában tapasztalt munkatársakat keres.

Magyarul Beszélő Bankárok
Budapest

Senior Relationship Managers (Corporate Banking)

Az ideális jelöltek 5-10+ éves tapasztalattal rendelkeznek a legfontosabb kereskedelmi- és befektetési banki termékek értékesitésében nagyvállalati ügyfelek számára. (Ref.: SRM/654)

Structured Finance Transactors

Az ideális jelöltek 5-10+ éves gyakorlattal rendelkeznek a projekt finanszirozás területén munkatársi vagy már vezetői szinten (Ref.: SF/653). Jelentős tapasztalattal birnak a vállalati ügyfelek számára nyújtott termékek fejlesztésében és az ezzel kapcsolatos marketing és értékesitési munkában.

Kiemelkedő szakmai múlttal, OECD ismeretekkel, csapatszellemmel biró, energikus, ambiciózus pályázók jelentkezésére számitunk.

HUF 6,000,000 - 10,000,000 + bonus, juttatások, vállalati autó teljes költségtéritéssel

Price Waterhouse

Amennyiben érdekli a fenti poziciók egyike, kérjük, küldje el angol és magyar nyelvű önéletrajzát fényképpel az alábbi cimre: Price Waterhouse Budapest Kft., Bek Balla László, Vezetőkiválasztási és Személyzeti Szaktanácsadás, 1075 Budapest, Rumbach S. u. 19-21. Tel.: (36 1) 269-6910, fax: (36 1) 269-6936.

EQUITY RESEARCH

LONDON — **RECENTLY QUALIFIED ACCOUNTANTS WITH DRIVE AND AMBITION** — **£ EXCELLENT**

As a result of an internal promotion an opportunity has arisen within the Equities Division of a leading UK based global investment bank for a research accountant. The division produces comprehensive UK and European industry sector and strategic research, enjoying lead ranking across a range of sectors.

This key individual will make a significant contribution to the design, development and implementation of the European research database. This will involve extensive liaison between the research department and the IT team. Excellent interpersonal skills and the ability to explain accounting issues are necessary.

The candidate must be prepared to acquire or have knowledge of European accounting practices.

The individual will also assist in:

- the provision of advice on accounting/valuation issues
- the writing of accounting/valuation research
- special projects with an accounting requirement
- the development of accounting training programmes

The successful candidate is likely to be a newly/recently qualified accountant from the "Big Six" with an excellent academic record, or an accountant already involved in equity research. Candidates will be IT conversant and have an interest in, and understanding of, historic and current accounting issues. Keeping abreast of accounting issues will be a prerequisite.

For the successful candidate there will be exceptional opportunities to enter various areas within Investment Banking.

Interested candidates should contact **Jason Garner** at **Robert Walters Associates** by sending a detailed CV stating current remuneration to 10 Bedford Street, London WC2E 9HE. Telephone 0171 379 3333 or fax details on 0171 915 8714. E-mail: jason.garner@robertwalters.com

ROBERT WALTERS ASSOCIATES

http://www.robertwalters.com

FS30091

LONDON WINDSOR AMSTERDAM BRUSSELS NEW YORK HONG KONG SYDNEY WELLINGTON AUCKLAND

THE LONDON CLEARING HOUSE

SWAPS CLEARING - KEY ROLES IN GROUND-BREAKING DEVELOPMENT

LONDON — **ATTRACTIVE PACKAGES**

LCH acts as the central counterparty for trades executed on LIFFE, the LME, the IPE and Tradepoint. It is now planning to introduce a facility to clear interest-rate swaps and FRA's in major currencies on the global OTC interbank market. High-level teams are being assembled to confirm the detailed operational and contractual requirements covering Operations/IT, Risk and Legal. Implementation is scheduled for 1999.

HEAD OF SWAPS OPERATIONS

- A Head of Operations is now required to handle all operational aspects of Swaps Clearing. Specific tasks include determining trade receipt and netting methodology, establishing banking requirements, setting up interfaces with other LCH systems and establishing requirements, interfaces and timing for the banks that will use swaps clearing.
- Likely to be running a swaps operation in a leading firm or in a number two position for a major player, you must be a thoroughly experienced, hands-on operations professional, able to develop suitable policies and processes. Strong IT experience is essential.
- Should be driven by achievement, able to relate to the business, energetic and enthusiastic with refined team leadership and communication skills.

Ref: 1488

SWAPS RISK MANAGER

- A Risk Manager is also required to determine all risk-related aspects of Swaps Clearing. Specific tasks include determining the source of settlement prices, yield curve, valuation and margining methodology, and the supervision of portfolio analysis.
- Likely to be a graduate with a minimum of three to four years' of practical risk management experience in the swaps market, strong quantitative risk management skills and an understanding of financial measurement systems. A good first degree in maths or science is essential.
- With strong technical and analytical skills supported by excellent verbal and written communication, you should be able to think in complex, conceptual frameworks and supervise a small team. Self-starter, the role will test both your intellect and ability to deliver.

Ref: 1489

LONDON CLEARING HOUSE

Please apply in writing quoting relevant reference with full career and salary details to:
Fiona Makowski
Whitehead Selection
11 Hill Street, London W1X 8BB
Tel: 0171 290 2043
http://www.gbnet.co.uk/whitehead

Whitehead SELECTION
A division of Whitehead Mann Ltd
a Whitehead Mann Group PLC company

Outstanding people. Amazing careers.

Manager – Structured Finance

HEATHROW

COMPETITIVE PACKAGE

EDS has grown to become a world leader in the provision of professional and IT services. Through our partnership with customers and the talent and commitment of our employees across diverse industry sectors, EDS has more than doubled its UK workforce to over 10,000 in less than 3 years.

The International Treasury function, comprised of a small professional team based near Heathrow, is responsible for all of the company's Treasury operations outside of North America. You will support the financing of customer projects around the world and will perform the analysis of tax orientated investments and financing. This is a real opportunity to make a significant contribution to the effectiveness of our business.

Educated to degree level, you will have at least 2 years' commercial experience in either taxation, law or accounting. You will have extensive experience of using and developing spreadsheet based financial models and in negotiating and closing financial transactions.

Ideally you will have worked for an international financial institution or in a finance department of a large multi-national corporation. Fluency in a second European language would be an advantage. On a personal level you should possess strong interpersonal skills, creativity and be an excellent communicator, with the desire and drive to succeed and realise ambitions.

In return we offer an exciting career in structured finance at the heart of our business, exceptional career opportunities and a highly competitive remuneration package.

For an informal discussion please contact our advising consultant, Keith Snow, Sheffield-Haworth on 0171 236 2400.

Please write, explaining how you meet our needs, to Robert Bowler, EDS, 4 Roundwood Avenue, Stockley Park, Uxbridge, Middlesex UB11 1BQ. Fax: 0181 754 4277. Please quote Ref: ADFT3.

EDS

▶ A more productive way of working

EDS is an equal opportunities employer

Barclays Global Investors
Fund Management

Fixed Income

Excellent Banking Packages — **City**

Barclays Global Investors is one of the largest investment management groups in the world, with assets under management of £266 billion, offering both indexed and advanced active investment strategies. As a result of continued growth, they are seeking to appoint a number of high calibre individuals to the Fixed Income team.

Fund Manager

THE POSITION — Ref FS70902

- Member of team responsible for handling specialist international bond portfolios.
- Contribute to fund management process and product development.
- Support client service and new business initiatives.

QUALIFICATIONS

- Graduate, with probably up to four years' fixed income fund management experience within fund management firm or investment bank.
- Thorough understanding of fixed income fund management processes.
- Motivated, impressive and credible. Adept at client relationship management. Good level of computer literacy. Team player.

Assistant Fund Manager

THE POSITION — Ref FS70903

- Key role on sterling based Fund Management team.
- Provide highest quality research and support to Fund Managers.
- Opportunity to progress to fully fledged Fund Management role.

QUALIFICATIONS

- Bright graduate with one to two years' relevant experience within an investment banking or fund management environment.
- Highly numerate with excellent analytical, PC and presentation ability.
- Fluent, confident communicator. Enthusiasm and strong interpersonal skills important.

Please send full cv, stating salary and relevant reference, to NBS, 21-26 Garlick Hill, London EC4V 2AU
Fax 0171 489 0698 Tel 0171 379 1070

Aberdeen • Birmingham • Bristol • Cardiff • City • Edinburgh • Glasgow — Leeds • London • Manchester • Radlett • Slough • Madrid • Paris

NB Selection — NBS — Financial Services

A BNB Resources plc company — ISO 9002 Registered

NEWTON

Fixed Interest Fund Manager

With over £[illegible] billion of global funds under management and [illegible] years of positive growth, Newton is one of Europe's most influential investment houses. Renowned for its active and committed investment style, the company manages institutional funds, pension funds, private investments and unit trusts.

If you are a highflyer already successfully managing fixed interest portfolios and are ready to spread your wings with a rapidly growing company, we'd like to talk.

We're seeking a dynamic Fixed Interest Fund Manager to join a team currently managing over £[illegible] billion worth of investments. Along with managing a portfolio, you would work closely with the Director of Fixed Interest and advise segregated Fund Managers on bond and currency exposure. You would also have the opportunity to generate and implement ideas and strategies across global debt markets. Graduate qualifications and good presentation skills are essential.

Package includes an excellent basic salary and bonus incentive scheme, along with executive car, non-contributory pension and other personal insurance benefits. This position will be based at our London office.

For a confidential discussion please contact Patrick Morrissey, Telephone 0171 [illegible], Fax 0171 [illegible] or apply in writing to Sheffield-Haworth Limited, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

Helena Morrissey

"This is a key role in a dynamic investment house."

Helena Morrissey, Director of Fixed Interest

"Newton has a single aim in life: to increase the real wealth of all of our clients."

[illegible]

SHEFFIELD-HAWORTH
Consultants in Search and Selection

Regulatory Trainer

c.£50,000 + Benefits — **City**

Outstanding opportunity to contribute to effective regulation through the promotion and implementation of first-class in-house technical training.

sfa

THE POSITION

- Key member of highly regarded professional training team with strategic, user-orientated approach.
- Initiate, develop and deliver comprehensive and innovative regulatory training programme within framework of on-going regulatory change.
- Provide strong support to Training Manager and work closely with management development and other HR colleagues on specific joint initiatives.
- Evaluate course effectiveness and reassess content in line with regulatory change. Work in partnership with internal and external training providers on technical development initiatives.
- Liaise with line and senior management to identify and meet individual and corporate-wide training needs.

QUALIFICATIONS

- Graduate with at least five years' relevant experience within compliance, accounting or banking environment.
- Previous training experience and exposure to a regulatory environment advantageous, but not a prerequisite. Demonstrable interest in a career within training crucial.
- Numerate with strong communication and presentation skills.
- Highly credible professional. Accomplished communicator. Enthusiastic, energetic and imaginative approach. Team player.

Following the Government's decision to reform the existing framework for financial regulation, it is planned that the present financial regulators (including the SIB, the Bank of England's Banking Supervision Division, IMRO, PIA and SFA) will be combined, starting early in 1998, to form a Single, World Class Financial Regulator. The recruitment of high quality staff, and their further training and development, will be a top priority for the new regulator and it is envisaged that any staff recruited from now on will transfer sooner or later into the new organisation.

Your response to this advertisement may be passed on to the other regulatory organisations mentioned above unless you otherwise request in a covering letter.

Please send full cv, stating salary, ref FS70901, to NBS, 21-26 Garlick Hill, London EC4V 2AU
Fax 0171 489 0698 Tel 0171 379 1070

Aberdeen • Birmingham • Bristol • Cardiff • City • Edinburgh • Glasgow — Leeds • London • Manchester • Radlett • Slough • Madrid • Paris

NB Selection — NBS — Financial Services

A BNB Resources plc company — ISO 9002 Registered

DLJ PHOENIX

Corporate Finance Associates

Highly Competitive Remuneration — **City**

Exceptional opportunities for outstanding professionals to join prestigious corporate finance team at time of sustained expansion.

THE COMPANY

- Specialist corporate finance and advisory business. Part of leading US investment bank.
- Provides focused high level corporate advisory services, including acquisitions, disposals, mergers, re-structurings and capital raisings.
- Sector focus: financial services, insurance, telecommunications/media and general corporate.

THE POSITIONS

- Key members of rapidly growing highly professional team focusing on UK and Continental European markets.
- Work closely with Directors on every aspect of deal creation and execution. Focus on M&A.
- Build relationships with clients and colleagues. Be ready to take the initiative and accept early responsibility.

QUALIFICATIONS

- Bright graduates, professionally qualified (ACA/Solicitor/MBA) with or without corporate finance experience.
- Senior associates will have proven corporate finance experience, ideally gained in a merchant or investment banking environment.
- Highly motivated and credible professional with strong financial analysis and communication skills. Team player.
- Ability to learn quickly and flourish in meritocratic, fast moving and demanding business. At least one European language will be an advantage.

Please send full cv, stating salary, ref FS70604/R, to NBS, 21-26 Garlick Hill, London EC4V 2AU
Fax 0171 489 0698 Tel 0171 379 1070

Aberdeen • Birmingham • Bristol • Cardiff • City • Edinburgh • Glasgow — Leeds • London • Manchester • Radlett • Slough • Madrid • Paris

NB Selection — NBS — Financial Services

A BNB Resources plc company — ISO 9002 Registered

هكذا من الأصل

RISK ANALYST – GROUP TREASURY

Competitive salary + full banking benefits • London

RISK MANAGEMENT AND MODELLING FOR A COMPLEX BANKING BUSINESS

At The Royal Bank of Scotland we have a very clear commitment to be the best performing financial services group in the UK. Group Treasury plays a key role in this drive, providing competitive advantage through the effective management of the overall Group balance sheet and the risks therein.

It's a highly sophisticated environment dealing with funding management, liquidity, regulatory requirements, the management, consolidation and hedging of interest rate and foreign exchange risk as well as strategic/operational analytical support and deal execution.

An experienced Risk Analyst is required to join the team and help develop the asset/liability management, modelling and risk evaluation capabilities and management systems. With at least two years' relevant experience, you'll possess ALM modelling experience, highly developed mathematical and analytical skills and a keen appreciation of the risk characteristics of both retail and corporate banking products. A good communicator, you'll have the ability to apply your analytical skills in a practical way and work well in a team environment.

In addition to a competitive salary, we offer an excellent remuneration package that includes performance related bonus, profit share, house purchase and share option schemes and a non-contributory pension.

Please write enclosing a full CV to Sarah Mann, Human Resources, The Royal Bank of Scotland plc, Waterhouse Square, 138 - 142 Holborn, London EC1N 2TH. Fax: 0171 427 9933.

Closing date for applications: 24 September 1997.

The Royal Bank of Scotland

Committed to Equal Opportunities

Leading Investment Bank

MANAGEMENT/STRATEGY CONSULTANTS FOR BANKS & INSURANCE SECTOR ANALYSIS

SIX FIGURE PACKAGES / CITY

Our client is a global market leader in investment banking and securities, with a reputation for delivering high-value equity investment ideas to major financial institutions around the world. The Bank's global equity sector research teams are top ranked and amongst the leaders in their field. A number of management/strategy consultants are now sought to further increase analytical skills across the Banks and Insurance sectors.

THE POSITIONS

- Senior and high-profile roles within Banks and Insurance analysis teams. Use in-depth market sector knowledge to provide leading-edge strategic advice and stock recommendations to top investment institutions.
- Provide thought-provoking analysis and recommendations on sector value drivers and competitive positioning. Considerable involvement in corporate finance.
- Further deepen the range of existing valuation and analysis criteria to include issues such as shareholder value and competitive advantage.

THE REQUIREMENTS

- Record of success with leading Consultancy. In-depth knowledge of Banks or Insurance sectors.
- Experience of latest valuation and modelling techniques.
- Graduate, ideally with further business or professional qualification. Exceptional communication skills. Ability to work under pressure and meet deadlines.

SAINTY HIRD & PARTNERS

SHP ASSOCIATES

Please send a full cv and current salary details, quoting reference 970901, to SHP Associates, Stratton House, Stratton Street, London W1X 5FE. Tel: 0171 753 3000. Fax: 0171 753 3010.

EMERGING MARKET LOCAL CURRENCY TRADERS AND ANALYST

Our client, the London based investment banking arm of a major European bank, is already a major player in emerging markets with a long standing franchise and offices throughout Latin America and Eastern Europe.

As a response to the growth of the local currency business within these markets, the client wishes to recruit **three traders** to cover each of Central Europe, Turkey and Latin America, with a focus on local currency fixed income products, currencies and a wide range of derivative instruments. In addition the group wishes to recruit a **senior analyst** to head a small team. He/she will be involved in product development and credit decisions, and will follow macro-economic trends, including currencies and interest rates. The analyst will work closely with the trading desk and the sales team.

The Traders

- Two years' experience of trading relevant markets
- Strong cultural affinity with the region
- Fluency in two relevant languages including English
- A degree in mathematics, statistics, econometrics or other numerate disciplines
- Experience in or knowledge of derivatives

The Analyst

- Strong credit product knowledge
- A good knowledge of the Russian market
- Capable of managing a research product
- Outstanding educational background, including an appropriate post graduate qualification
- At least two years experience at a financial institution

These positions will report to the Head of Local Markets Trading and are excellent opportunities for ambitious individuals to make a significant contribution within a challenging and dynamic organisation. Full banking packages with benefits are on offer, with relocation to London if required.

Interested candidates with the above qualities should contact:
Johnny Yorke at Morgan Hunt,
26-28 Mount Row
London W1Y 5DA.
Fax: 0171 409 3500 Tel: 0171 409 3200
email: johnny.yorke@morganhunt.com

MorganHunt

Executive Search
Offices in London and Moscow

SODEXHO, a French international group (turnover 27 billion francs, workforce 140,000) is a world leader in the area of catering for companies (food and services). Our "Remote site management" business has a turnover of 1.2 billion francs worldwide and a workforce of 12,000. We are seeking for

SUPERVISORS

Your mission will Include the management of a profit centre made up of several decentralised operational units. You will manage and lead the operational teams and will extend and develop contracts you have been assigned. With your colleagues, you will meet the needs of your clients with innovating and appropriate solutions. Success in this post (client satisfaction, development of the profit centre and management of operationnal teams) will provide good opportunities for advancement within our organisation.

You have acquired good experience in services or public works environments through practical training. Autonomous by nature, you are service oriented and have a sense of organisation as well as an aptitude for team management. You want to invest in the job, become responsible for an expanding business in a post with good promotion prospects and working abroad is attractive to you. You are 28 to 35, fluent in English, written and spoken, with a good working knowledge of French.

Posts available in various countries in West Africa.

Please send your candidature (CV, letter of motivation and required salary) with ref. S/FT to SODEXHO, DRH Gestion de Bases Vie, BP 100, F - 78883 St-Quentin-Yvelines cedex.

Sodexho

Satisfaire un monde de différences

Renault V.I., 3e constructeur mondial de véhicules industriels, est présent en Europe et aux Etats-Unis avec Mack Trucks. Dans le monde entier, réussir une vente nécessite souvent de monter un financement pour le client potentiel. C'est l'une des missions principales de la Direction des Services Financiers. Sur les marchés émergents, cette activité représente une composante essentielle de notre stratégie de conquête.

Négociateur Financier Export Expérimenté

Rattaché au Responsable du Service des Affaires Financières Internationales, vous menez la recherche et le montage de financements des opérations commerciales à l'international. Cette mission vous conduit à collaborer étroitement avec notre force commerciale, notamment lors de fréquentes missions conjointes hors Europe.

De formation supérieure, vous justifiez d'une expérience de 4 années minimum du financement du commerce international, acquise dans le secteur bancaire ou dans un groupe industriel. A la fois créatif et rigoureux, vous avez le sens de la négociation et disposez de grandes qualités relationnelles. Vous maîtrisez parfaitement l'anglais.

Ce poste vous ouvre de larges perspectives d'évolution au sein de notre Groupe, tant dans les secteurs financiers que commerciaux. Il est situé à Suresnes, en proche banlieue parisienne.

Merci d'adresser votre dossier de candidature (lettre manuscrite, CV et photo), sous la référence NFE/EF à Renault V.I., Recrutement des Cadres, 40 rue Pasteur, BP 302, 92156 Suresnes.

RENAULT

RENAULT V.I.

MEDIA SYSTEM

LAZARD ASSET MANAGEMENT LIMITED

Fund Manager

Fixed Income

City **£ Competitive**

Lazard Asset Management has significant funds under management on behalf of a wide range of international and domestic clients. An opportunity has arisen for an exceptional individual to join the London based fixed income team which is responsible for managing Sterling based and international fixed income instruments.

Working directly with the team Director, the key responsibilities will include:

- Contribution in the successful investment management of fixed income at Lazard Asset Management.
- Day-to-day management of money market and bond funds.
- The provision of timely, accurate investment reports to clients.
- Contribution in business development and growth of funds under management.

The successful candidate will be a graduate in a numerate discipline, preferably mathematics, will have gained 2-4 years experience in a fixed income environment and will be IMRO threshold competent. Preference will be given to individuals who have experience not only in Sterling denominated instruments but also in global markets and instruments. Knowledge of the use of quantitative investment techniques, the use of derivatives and fund optimisation processes are advantageous.

This is an outstanding career opportunity for an exceptional, intelligent young professional who is adaptable and numerate and who can demonstrate the ability in work in a small team environment. Excellent communication and interpersonal skills are essential.

If you possess the qualities sought, please contact Sarah Hesse-Hunter on 0171 269 2314, or write to her enclosing a full curriculum vitae to Page House, 39-41 Parker Street, London WC2B 5LN. or fax her on 0171 405 9649 quoting reference 367542.

Michael Page City

International Recruitment Consultants

London New York Paris Amsterdam Frankfurt Milan Madrid Hong Kong Singapore Sydney

---

EUROPEAN SYNCHROTRON RADIATION FACILITY

in Grenoble, France.

ESRF

The **ESRF** is a research institute in Grenoble, France, funded by twelve European countries. Its main task is to produce X-ray synchroton radiation and to support its use by scientific communities. The **ESRF** wishes to recruit its

DIRECTOR OF ADMINISTRATION (m/f)

for a period of up to five years, beginning on 1 October 1998

The Director of Administration is charged with the organisation of the administrative work related to the operation of the institute constituted as a French "Société civile" (~FRF 400 million annual budget, ~500 staff, ~2000 external users per year).

This includes administrative and legal relations with external companies, institutes and the Members of the ESRF. He/she leads the Administration Division (36 posts) including Human Resources, Finance and Central/Commercial Services.

Further information on the ESRF and on the post can be found on the ESRF's website (http://www.esrf.fr/)

The successful candidate should have:
a professional qualification in economics, law or science, well-developed conceptual and organisational skills, experience in a similar post within a scientific environment, working knowledge of English and some French (any other European language would be an asset).

Individuals wishing to apply their conceptual skills, knowledge and experience in the operation of the ESRF should send their written applications **by 1 October 1997** to the:

Chairman of the ESRF Council * Ref. DIRADM
BP220 * F-38043 Grenoble CEDEX 9 * FRANCE

UNIVERSAL COMMUNICATION

Head of Retail Banking

DUBAI **EXCELLENT TAX FREE PACKAGE**

Our client is a leading Gulf based commercial bank with a well developed branch network and a comprehensive range of financial products and services. By adopting a highly innovative approach, supported by the latest technology, they have already secured a significant presence in retail banking and aspire to be market leaders. To spearhead this development they now seek an outstanding individual with the energy and ability to drive the business forward in a dynamic and constantly evolving market. The key elements of this role are:

- Develop and implement a retail banking strategy and regularly monitor revenue, profit and market share performance.
- Direct, train and motivate staff to deliver the highest standards of customer service.
- Be proactive in identifying market opportunities and developing and launching new products and services.
- Promote the development of electronic banking products.
- Ensure that effective operating standards, delivery systems and control procedures are in place to meet the current and future needs of the business.

Educated to degree level with a banking or business management qualification, candidates will already be in a senior position, managing a substantial retail business in a bank with a multi branch network. Exposure to current developments in financial products and services and a strong focus on all aspects of customer service and technology are key to this assignment. Our client is seeking a world class retail banking professional with well developed leadership and communication skills and the ability to work effectively in a multicultural environment.

This represents a unique opportunity for international career development in an attractive and stimulating environment supported by a tax free salary and a comprehensive range of expatriate benefits.

Please write in confidence, with full career and salary details, to Geoffrey Walker, MSL International Limited, 178-202 Great Portland Street, London W1N 6JJ. Fax 0171 637 2965. Please quote reference: 64073.

MSL

HEAD OFFICE LONDON TEL: 0171 255 2535 11 OFFICES NATIONWIDE

Appointments Advertising

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For information on advertising in this section please call

Toby Finden-Crofts

0171 873 402

Financial Times

QUALIFIED EQUITY DERIVATIVES TRADER

required by expanding London based trading Company. Successful applicants must be degree qualified, with a minimum of 5-years trading experience on either the NYSE, CBOE or CBoT. A detailed knowledge and understanding of US financial markets is essential, with skills in US market analysis being desirable.

Please forward covering letter and curriculum vitae, for the attention of

Alexander W Cope-Norris at
Juno Limited
1st Floor, Prince Rupert House
64 Queen Street
London EC4R 1AR

SIB

Prudential Supervision

Following the Government's decision to reform the existing framework for financial regulation, it is planned that the present financial regulators (including the SIB, the Bank of England's Banking Supervision Division, IMRO, PIA and SFA) will be combined, starting early in 1998, to form a Single, World Class Financial Regulator. The recruitment of high quality staff and their further training and development will be a top priority for the new regulator and it is envisaged that any staff recruited from now on will transfer sooner or later into the new organisation.

The Prudential Supervision Department in the SIB is involved in developing, setting and maintaining supervisory standards for business controls and financial resources of investment firms. Current main areas of activity include work on group supervision of financial conglomerates, including improving arrangements for inter-regulatory co-operation internationally and assisting HM Treasury, other government departments and other FSA regulators to negotiate and implement EC Directives. Two vacancies have recently arisen in the department; responsibilities will include the following:

Executive

- Assisting and supporting a Senior Executive on corporate governance, group supervision and related international policy initiatives.
- Helping to develop and maintain the department's function as a centre of expertise on regulatory accounting issues.
- Implementation of policy covering UK branches of overseas investment firms.

The role could suit a recently qualified accountant or chartered secretary with experience of how groups are managed/structured.

Senior Executive

- Identifying policy issues and generating, leading or contributing to policy discussions inside and outside the SIB.
- Managing relationships with SROs, other UK regulators and overseas regulators.
- Supporting negotiations on EC Directives.

The position would suit highly numerate individuals who are familiar, through their work, with the principal risks investment firms face, such as market risk and credit risk and with the concepts underpinning contemporary techniques to measure and manage these risks, such as modelling. Knowledge of EC Directives in the financial services sector and strong negotiating and relationship management skills are important.

Both positions require an ability to express ideas fluently both orally and in writing and to analyse complex issues, paying attention to detail and relating it to the wider context. Applicants interested in either position should initially submit a CV to Sue Lintern at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LN quoting reference 368174 or telephone her on 0171 269 2308. Closing date 19th September 1997. Your response to this advertisement may be passed to the other regulatory organisations mentioned above unless you request otherwise.

MP

Michael Page City

International Recruitment Consultants

London New York Paris Amsterdam Frankfurt Milan Madrid Hong Kong Singapore Sydney

---

BANKING & INSURANCE CONSULTANTS

Central Europe

Deloitte & Touche is one of the largest and fastest growing professional services firms in Central Europe. With over 400 management consultants in the region, our firm holds a pre-eminent position in the financial services, manufacturing, media, telecommunications, utilities and public sectors. Given our strategy to build on the dominant position achieved, particularly in the financial services sector, we wish to expand our team of high level bankers and insurance experts to assist in our development efforts.

Serving as consultants and advisors to banks and insurance companies throughout Central Europe, many of which are closely associated with leading international companies, this is an outstanding career development opportunity for those who have the desire to build business and play a key developmental role. Ideally, prospective candidates should have the following profile:

- Deep expertise and extensive leadership experience in two or more of the following disciplines: Risk Management, Treasury Management, Portfolio Management, International Banking, Retail Banking, Corporate Banking, Leasing and Insurance (Life and Other). Experience acquired with Central Banks and Banking Supervisory Authorities would be useful.
- Management consulting experience in Central Europe or in the CIS.
- Strong communication skills in English, both orally and in writing, and preferably the ability to speak German or a Central European language.
- Strong interpersonal skills and executive presence.
- Entrepreneurial flair and the ability to sell.
- A relevant Masters degree or professional qualification.
- Strong team-working and knowledge transfer capabilities.
- High stress and adaptability thresholds.

The rewards for success will be substantial. We encourage qualifying candidates to send a comprehensive CV and letter of application to the Human Resource Director at P.O. Box 906/69, H-1386 Budapest, Hungary, or to Fax # (+36 1) 267 4182.

Deloitte & Touche

Management Consultants

SOUTH CHINA BROKERAGE CO. LTD.

INSTITUTIONAL EQUITY SALES AND RESEARCH

Hong Kong SAR and PRC Markets

South China Brokerage Co. Ltd. has been listed on the Hong Kong Stock Exchange since 1993 and is part of a group with significant interests in Hong Kong and China.

The Company is seeking suitably experienced candidates for both its London and Hong Kong Offices. Positions are available at senior and junior levels. Research is based in Hong Kong. There will be no obstacle to major career growth for team players hungry for success.

Please send your resume to: Director of Human Resources (Ref. A8), South China Brokerage Co. Ltd., 28/F, Bank of China Tower, No. 1 Garden Road, Central, HongKong.

FORFAITING

A major European bank is seeking to build up a new London-based Forfaiting team. The team will initially consist of 5 professionals: **2 Forfaiters, 2 Administrators and 1 Primary Acquisitor** based in Germany.

The open positions

- **Senior Forfaiter - Head of Group**

  The successful candidate will have a minimum of 6 years experience in both the the Primary and Secondary markets and must have good management skills.

- **Forfait Trader**

  Minimum of 3 years relevant experience.

Candidates for both of the above positions should be computer literate and have good marketing and trading skills.

- **Forfait/Loans Administration**

  Minimum of 5 years relevant experience with emphasis on Forfaiting. Candidates must be computer literate and ideally familiar with the ROHIRST Forfait Management System.

A knowledge of German would be an advantage for all positions.

The remuneration package will be competitive and reflect the experience of the successful candidates.

To apply, please write, enclosing your C.V. to Box A5216, Financial Times, One Southwark Bridge, London SE1 9HL. Your application should include a note of your current remuneration package and advise for which of the three position you are applying.

SALES TRADER

CENTRAL & EASTERN EUROPE

City Based **£45,000 + benefits package**

RZB-Austria London Branch is expanding its Investment Banking activities and is seeking to recruit a Sales Trader for its Equity Sales Department.

The Role

Will require comprehensive knowledge of:

- IPOs and secondary offerings of equities;
- Corporate bond funds of both investment grade and non-investment grade fixed income securities;
- futures, preferred stocks, and CMOs;
- understanding of large hedge funds with a primary investment objective of short term capital appreciation;
- will involve frequent travel throughout the Region.

The Person

- will have an academic background in International Economics, a Master of Business Administration Diploma, specialised in finance;
- will possess a minimum of three years international work experience, with at least one year's experience in an Eastern European market with in depth knowledge of the local trading and settlements procedures;
- will have an established client base with senior dealers of leading international fund management groups targeting Central European Equity and Bond markets;
- will have the ability to communicate in a Central European language, but has an English mother tongue;
- will be a pro-active person with lots of initiative, preferably in his/her mid twenties.

To apply, please write in confidence, enclosing your curriculum vitae, including details of current remuneration to Ms Anna Tieleman, Personnel Officer.

RZB-Austria

36-38 Botolph Lane, London EC3R 8DE

FT FINANCIAL TIMES

les Echos

Le Quotidien de l'Economie

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and in further target the French business world.

For information on rates and further details please telephone:

Toby Finden-Crofts on +44 171 873 3456

Investment Analyst

£35-£40K + Car + Benefits **London**

Our client is one of the largest pension and life insurance companies in the Nordic region. It manages a global real estate portfolio of C.£1.5bn and this newly created position will contribute significantly to their future portfolio strategy. Working closely with a Director, you will be central to the investment decision making process and be expected to act autonomously. Researching and analysing potential investment products, principally in Europe and Asia, you will also assist with the due diligence process for specific investment opportunities and subsequently monitor their performance.

With a good first degree in accountancy, economics or similar, you are likely to have 3 plus years gained in equity research, accountancy or economics and have developed a strong background in quantitative research. Property knowledge is not a prerequisite but you should have a first class understanding of equity investment products. You will also need some understanding of international taxation.

With highly developed analytical and quantitative skills you will be capable of working to advanced level on spreadsheets. Professional and commercially astute, you will possess exceptional written and verbal communication/presentational skills. Personal career development and training is a priority and support will be given for IIMR exams or similar. Some travel to Asia and Europe.

Interested? Apply to Linda Steel, Ideachange Limited, Human Resource Consultants, Horseshoes House, Bledlow Road, Princes Risborough, Bucks HP27 9NG or telephone her confidentially on +44 01844 275788 (office) or +44 01844 274957 (eve/weekends). E-mail: ideachange@compuserve.com

ideachange

Join a leading telecoms team

Flemings is an investment bank with core businesses in asset management, investment banking and securities broking and research. Our securities business provides independent research on over 3,200 stocks with an emphasis on sectoral specialisation, emerging markets and global coverage.

We are now recruiting an experienced analyst to join our highly-rated international telecommunications team. Based in London, the analyst will ideally follow both UK and Continental European stocks although candidates with expertise in only one of these areas will also be considered.

The successful candidate will possess the following attributes:

- a minimum of three years experience as a sell-side equity analyst specialising in telecoms or a related industry
- the ability to write innovative research to tight deadlines
- be a persuasive marketer
- possess strong interpersonal skills
- ideally have a postgraduate qualification and European languages.

FLEMINGS

The analyst will be supported by a research assistant, the team's unique global telecoms database and the combined expertise of the current team, some of whom have first hand experience of the telecoms industry.

The salary and benefits package will appeal to high quality candidates.

Write to Sasha Sewell-Knight in our Personnel Department at the address below, giving details of current remuneration and enclosing a full CV.

Robert Fleming & Co. Limited
25 Copthall Avenue
London EC2R 7DR

CJA

RECRUITMENT CONSULTANTS GROUP

2 London Wall Buildings, London Wall, London EC2M 5PP
Tel: 0171-588 3588 or 0171-588 3576
Fax: 0171-256 8501 E mail: cjagroup@online.rednet.co.uk

A senior level appointment with scope to advance to a general management role in 3-5 years

SENIOR CORPORATE BANKER

CJA

CITY **£60,000-£85,000 + BONUS**

MAJOR INTERNATIONAL BANK

We invite applications from graduates, ideally with a second degree, who have a strong credit background, preferably in a US bank, and at least 5 years' experience in managing relationships with top 200 UK/European corporate and institutional investors. A track record of transactional involvement in structured deals using capital market products and derivatives will be useful, as will be a second European language. You will be part of the business development team reporting to the General Manager and be fully involved in deals particularly tax structured cross border transactions. Essential attributes are strong leadership qualities, proactive business development skills and, above all, the ability to drive forward this key activity in a profitable manner. Initial salary is negotiable £60,000-£85,000, plus bonus and a good banking benefits package. **Applications in strict confidence quoting reference SCB/6564/FT to the Managing Director, CJA.**

CLOSED END FUND TEAM - SALES

Outstanding opportunities for a number of highly motivated, talented professionals to join our Emerging Markets Funds Team.

The Company

West Merchant Bank is a highly successful subsidiary of the Westdeutsche Landesbank ("WestLB") Group, one of Germany's largest financial institutions and ranked 17th largest banking group in the world. We have a highly successful Emerging Markets team, established since the mid-1980's, based in the UK, Latin America and Central and Eastern Europe. The operation is undergoing impressive growth and as part of this expansion is seeking to recruit a number of Closed End Fund Sales People.

The Team

A cohesive, self contained and motivated group of fund specialists focused on delivering real added value to their clients and enjoying life. The Sales team is supported by a very strong team of Analysts and Traders as well as one of the world's most advanced on-line Closed End Fund valuation systems.

The Candidates

We have a number of exciting positions available. Although we would prefer some emerging markets experience this is not essential. We are open to recruiting from a variety of related disciplines including fund management. The successful candidates will:

- be key members of the Closed End Fund team selling into the UK and USA;
- have a proven sales record or be in a position to demonstrate the necessary determination, persistence and self-motivation required in order to develop into a successful sales person;
- have a demonstrable desire to succeed within the Emerging Markets environment.

Only graduate level individuals who are ambitious and enthusiastic team players should apply.

Competitive packages including bonus and full benefits are available for the successful candidates.

Please send your updated CV with salary details, quoting ref. PG97R177 to Diane Tissera - Personnel Manager at West Merchant Bank, 33 - 36 Gracechurch Street, London EC3V 0AX

WestMerchant

A member of the WestLB Group

SENIOR EMERGING MARKETS TRADERS

We are a major European Investment Bank who (urgently) require two senior emerging market local currency traders, based in London, to support our trading activities in:-

(a) Turkey & the Middle East;

(b) Other countries of the EMEA region.

(Both) applicants should be degree qualified & have a minimum of 2 years post-qualification trading experience in the respective areas and be able to demonstrate a positive contribution to P & L.

In addition, for post (a) the candidate should be fluent in Turkish & English and be prepared to re-locate in due course to Turkey. For post (b) the candidate should have trading experience in the most liquid markets (Czech Republic, Hungary & Poland) & also South Africa.

Please reply in confidence, enclosing your CV in:

Box No A5222
Financial Times
One Southwark Bridge
London SE1 9HL

New Financial Times Appointments Section

Trading Places

For the announcement of changes to senior personnel within your company contact:

Ben Bonney-James

on +44 171 873 4015

Join a Leading Financial Engineering and Investment Management Team

Excellent Salary + Bonus — *Central London*

An international Investment Management Firm, with an outstanding reputation in global financial markets, is currently seeking to recruit two individuals.

Successful candidates will be working with a group of people responsible for pioneering some of the recent techniques in international portfolio management. The organisation utilises a sophisticated mix of mathematics, financial theory and market insight to construct trading strategies worldwide.

The Firm prides itself on a group-approach to its business and the talent, dynamism and energy of its employees. Accordingly, each candidate should have the drive and disposition to excel in a small, friendly but dynamic team based environment.

Experienced Trader/Strategist

The person will be a market strategist and execute trades. He or she will also take an active role in research and risk management. The requirements are:

• 2 to 3 years trading experience in fixed income markets (preferably EEC Government debt and derivatives) • Strong quantitative skills with an advanced academic degree in mathematics, engineering or sciences, especially statistics, optimisation, numerical methods or econometrics • Good programming skills (Fortran or C) and/or SQL background together with significant experience in leading system development initiatives • Experience in financial modelling including quantitative hedging concepts and forecasting.

Database Developer

The person will be a key player in the design and implementation of critical database systems for trading and risk management and will be working hand-in-hand with traders and research strategists. This is a highly visible role offering every opportunity to gain immediate exposure to a whole range of business functions and responsibilities.

A relevant academic background, practical computer programming/relational database experience and database design, ideally Sybase and Transact SQL, query optimisation and performance tuning skills are required.

Programming experience in Unix, Perl and C would be advantageous.

Good aptitude in basic calculus, linear algebra and bond mathematics and statistics knowledge would be beneficial.

For more information please call Ruth Veleneid on 0171 307 3100, or send your CV to her at Talisman Information Systems Rersourcing, Portland House, 4 Great Portland Street, London W1N 5AA. Fax: 0171 307 3101. E-mail: *ruthv@talismanis.co.uk*

TALISMAN
Information Systems Resourcing

INVESTMENT /RESEARCH EXECUTIVE
MAJOR NEW MULTI-MANAGER FUND

Late 20s - early 30s — *London West End*

This is an important new role in a company recently created to run one of the UK's largest international multi-manager unit trusts. The role will involve strategic asset allocation and performance measurement of a portfolio geared to long-term total returns.

You will work closely with the MD, a highly experienced and senior international fund manager, and a small enthusiastic team of professionals. Your key tasks will be assisting on global asset allocation, taking a leading role in performance measurement, liaising with the external fund managers, and working on technical issues such as currency exposure and the use of derivatives.

You are experienced in performance measurement (including asset and currency attribution analysis), competent in the use of Excel and with the intellect to take initiatives in leading-edge technical investment areas. The company will provide a competitive package, including a performance-related bonus.

Please write in confidence, giving full details of your education and experience, to Terence Hart Dyke, consultant to the company, at BDC Search, 63 Mansell Street, London E1 8AN.

SEARCH

INTERNATIONAL REAL ESTATE INVESTMENT AND DEVELOPMENT COMPANY

PARIS BASED PROPERTY ASSISTANTS WITH WORKING KNOWLEDGE OF FRENCh

You are in your mid to late twenties, ambitious, focused, highly numerate and have had exposure to the real estate business, preferably with some experience in France.

You may be a recent graduate (probably in estate management) or have 2-3 years working experience with an investment bank, a big-6 consultancy firms, or a real estate investment or advisory business. Working closely with one of the partners of HRO International you will be involved in all aspects of the acquisition, improvement, administration, leasing, and sale of properties.

An excellent financial package is provided.

Contact: HRO International, Michael Billyard-Leake or Noël Simpson,
26 Avenue Foch, 75116 Paris:
Telephone +331 45 00 62 62, Fax + 331 45 00 60 93,
E-mail: HRO_Paris@compuserve.com.

PROJECT FINANCE EXECUTIVE

We are e leeding Gulf based, inetitution seeking to make en AVP level appointment to our Project Finance Group. Reporting directly to the Unit Head, the position offers sound growth opportunities for candidates seeking to build on their current experience and responsibilities through direct participation in one of the lastest growing regions for project development.

Requirements
The candidate will already have some 3-4 years experience in the project finance department of a recognised financial institution, in which his/her principle functions will have been to construct project models, analyse and asses project fundamentals, and contribute to the structuring and pricing of eventual financing offers. To have undertaken this, the candidate will have worked on transactions at a Co-Arranger level, including some work within the hydrocarbon sector.

Qualifications and skills
Graduate in a finance, legal, economic or engineering discipline.
You will also be numerate and disciplined with the ability to operate independently, developing and creating innovative solutions.
Importantly, you will have good interpersonal skills and be able to operate in a multi-cultural environment.

Renumeration
The position carries a competitive, tax-free salary, with normal expatriate benefits.

Replies to
Please reply to PO Box A 5211, Financial Times, One Southwark Bridge, London, SE1 9HL. Enclosing Curriculum Vitae, salary details and covering letter demonstrating your suitability for the position.

EASDAQ - THE EUROPEAN STOCK MARKET

Marketing Executive

(London based)

Due to strong demand from the corporate issuers sector we need to fill the following position:

Job Profile

- Actively implement the EASDAQ marketing strategy.
- Recruit and retain growth companies from the UK, Ireland and Northern Europe seeking admission to EASDAQ.
- Assist the admissions department in the preliminary contact process.
- Liaise efficiently with corporate finance departments of financial intermediaries.

Requirements

- Academic degree in Economics or Business Administration from a recognised institution.
- English speaker, any other European language a plus.
- 3 years of working experience in Corporate Finance, preferably in Equity Capital Markets.
- Analytical and first class communication skills.
- Enjoy working within an International team, displaying a hands-on approach to daily business.
- Enthusiastic about joining in the unique experience of a truly supranational European stock market.

EASDAQ is the European stock market where fast growing companies with international aspirations can raise capital from interested investors. EASDAQ is a screen based stock market enabling companies, intermediaries and investors to have direct access wherever they are located. Trading is safe and cost-effective, and companies benefit from a broad range of European and overseas investors.

Kindly forward your CV in English to:
Erik Hallmann, Member of the Market Authority,
EASDAQ, s.a. Koloniënstraat/Rue des Colonies 56,
Box 15, B-1000 Brussels, Belgium.
Tel: +32 2 227 65 20 Fax: +32 2 227 65 67

EASDAQ

Baring Private Equity Partners Limited

Managers and Associates

Central European Private Equity Team

Baring Private Equity Partners (BPEP), a part of ING Asset Management within the ING Group, is a leeding private equity end venture capital investment company with assets in excess of US$1 billion invested on a truly global basis throughout Europe, the Americas and Asia. As the next step in its expansion, BPEP is seeking to recruit several Managers and Associates to join its newly created Central European private equity team.

Initially based in London, these positions offer an outstanding opportunity for the successful candidates to become involved in private equity investments in this challenging and rapidly growing region.

Managers, with at least five years of professional experience, will be responsible for essisting Partners in developing and executing equity investments, including due diligence, valuation, negotiation and legel documentation. Portfolio supervision and exits will in time be of mejor importance.

Associates, with a minimum of two years of professionel experience, will support the investment and portfolio management ectivities. Responsibilities will include due diligence, financial modelling and company analysis.

Successful candidetes will be dedicated team-workers, will have e strong educational background and work experience in private equity, investment banking, industry or strategy consulting with e leading firm. Outstanding financial and quantitative anelyticel skills and e pragmetic approach to business are essential. Excellent written and oral communication skills in English are a prerequisite. Prior professional experience in the region and fluency in a Central European languege is desirable.

To apply, please send your curriculum vitae to David S Huckfield, Senior Partner, Operations at 33 Cavendish Square, London W1M 0BQ

Member of ING GROUP

FT
FINANCIAL TIMES
Television

FRANKFURT CORRESPONDENT

FT Television seeks a young and energetic correspondent for its award-winning output, mainly on Europe's leading business channel, CNBC.

The successful candidate will be a journalist with good knowledge of Germany's business community and financial markets. He or she will be expected to contribute live to rolling business news programmes and to prepare regular video journalist reports.

Please reply with full CV to:
Andrew Clayton
Editor, Financial Times Television
1 Stephen Street
London W1P 1PJ

A Pearson Television Company

Appointments Advertising

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday.

For further information please call:

Toby Finden-Crofts on +44 0171 873 4027

Financial Times

EMERGING MARKETS

CENTRAL, EASTERN EUROPE & TURKEY

Key roles in Sales, Trading & Research

Our client is a leading international investment bank, with a growing strength in the emerging markets of Eastern Europe. As part of the steady expansion of their client franchise in Russia, they are now looking for experienced, high quality professionals to join their Emerging Markets team for the region, who will be located in Moscow.

Dealing in a wide variety of financial products, you will play a key role in enhancing trading strategies by building strong relationships with counter-parties and providing expert local-market analysis.

Educated to degree level and fluent in English and at least one relevant language, you must have an extensive knowledge of the relevant markets backed by at least 2 years' experience gained within the region. In addition, you will need a thorough understanding of a wide range of products including Fixed Income, Equities and Foreign Exchange.

To apply, please send full career details, quoting ref: 1062 to Alastair Lyon, Confidential Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.

Applications will only be sent to this client but please indicate any company to which your details should not be sent.

aia
HR MARKETING & COMMUNICATIONS

Public Relations - High Tech
Amsterdam: European VP
Boston: Sr. Consultants, AEs
Boston Communications
617-247-2272 Fax (USA)

FINANCIAL TIMES — les Echos
Le Quotidien de l'Economie

The FT can help
you reach additional business readers in France.
Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world.
For information on rates and further details please telephone:
Toby Finden-Crofts on +44 171 873 3456

Norges Bank, the Central Bank of Norway,
is an executive and advisory body for monetary policy and has a key role in the country's payment system.

Translator

Information Department

Norges Bank is seeking a professional translator from Norwegian into English to fill a full-time position. The post is avtable from 1 December 1997 for a six-mounth period. An expansion of the translation staff is currently under consideration.

■

The translator will be required to work with texts of an economic nature, essentially relating to monetary, credit and foreign exchange conditions. The Bank produces extensive reports on the Norwegian economy, which are translated on a regular basis, often with short deadlines. The translator will be working closely with a team of translators and the economists in the Bank. The ideal candidate must therefore be service-minded, well-organised and possess knowledge of word processing. Applicants must be native English speakers and able to show evidence of previous translation experience and coursework in economics.

■

Enquiries may be directed to Kari Dickson (tel. +47 22 31 62 82), Janet Aagenaes (tel. +47 22 31 62 90) or Helle Snellingen (tel. +47 22 31 62 92)

■

Applications with a full CV and proof of qualifications should be submitted to Norges Bank, PO Box 1179 Sentrum, 0107 Oslo, Norway no later than 26. September.
Interviews and testing are scheduled for end-October.

NB NORGES BANK

PKF worldwide

FOOTWEAR MANUFACTURING COMPANY

The Joint Administrators offer for sale the business and assets of Palfreyman Footwear Ltd. based in Leicester, Grimsby and Nuneaton:

- **Well established shoe manufacturing business**
- **35,000 sq. ft. leasehold premises**
- **"Blue-Chip" customer base**
- **£5m turnover**
- **Strong order book - 35,000 pairs shoes/boots**

For further information please contact immediately:
Brian J. Hamblin and R. Neil Marshman,
Pannell Kerr Forster, Pannell House,
159 Charles Street, Leicester, LE1 1LD.
Tel: 0116 250 4400
Fax: 0116 285 4658

Pannell Kerr Forster are authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business in the United Kingdom.

PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS

Appointments Advertising

appears in the UK edition every Wednesday & Thursday
and in the International edition every Friday
For further information please call:
Mark Williams on: 0171 873 3770

Financial Times

ALL SOULS COLLEGE
OXFORD

The Bursarship

The College intends to elect a Bursar in March 1998, to take office in the following October.

The Bursar, who may be either a man or a woman, will be a Fellow of the College and will be responsible to the College for managing its endowment and its expenditure, and for supervising its administration and domestic affairs.

There is no application form. Candidates should write, enclosing a CV and the names of three referees, by 17 October 1997 to the Warden, All Souls College, Oxford OX1 4AL, from whom they may obtain further particulars. The College will not restrict its choice to those who apply.

Project Leader

required by major UK entertainment company based in London

to run two year project on sales and marketing database development. Candidates must have MBA from London Business School, INSEAD or IMD and at least 5 years' experience of successful sales and marketing experience in blue chip international companies, ideally both within and outside the music industry. Knowledge of Japanese an advantage.

Start date: 1 October 1997

Salary: up to £45,000

For further details please apply to:

Box A5204, Financial Times,

One Southwark Bridge, London SE1 9HL

Closing date for applications: 24 September 1997

CENTRAL EUROPEAN TAX PLANNING MANAGER

Prague based TESCO **Excellent package**

The UK's No.1 food retailer, Tesco has over 700 stores throughout England, Scotland, Wales and France. The company is also rapidly expanding into Central Europe - and, so far, has over 100 stores in Poland, the Czech Republic, Slovakia and Hungary. Offering customers excellent value for money through managing improvements in the sales mix, better buying and more efficient sourcing, sales in this region continue to be encouraging as the stores trade in line with Tesco's expectations.

Clearly, this is one of the most dynamic companies in the region today. With a reputation for innovation, world-class management teams and highly trained and motivated staff at all levels, Tesco is committed to staying at the forefront of food retailing.

To develop its business in Central Europe, Tesco now requires a local tax specialist to take on responsibility for tax issues in the region. Supporting local Finance Directors, this person will build a detailed knowledge of Tesco companies in Central Europe and provide a co-ordinated approach across the region. This will involve managing all taxation issues, advising on tax planning and overseeing compliance matters.

THE POSITION: Reporting to the UK-based Director of Tax, you will be responsible for:-

- supporting Tesco companies in the region across a range of tax issues - including corporate tax, VAT, customs and excise; as well as employee tax planning and advising on local tax and cross-border tax issues;
- monitoring and responding to changing tax laws, and interpreting statute law in the various countries;
- co-ordinating tax investigative activity and group reporting;
- developing close ties with Tesco's Finance and Commercial functions in planning and executing tax strategies;
- integrating tax planning into long-term strategic plans and monitoring tax efficiency.

THE PERSON: The complex tax legislation and accounting policies of the region require you to have the following qualifications:-

- a qualified accountant, preferably ACA or equivalent;
- 2-4 years' experience in Central Europe with an accountancy practice's taxation department or multinational tax department;
- a detailed knowledge of current tax laws in the Czech Republic, Slovakia, Poland and/or Hungary;
- excellent communication and interpersonal skills;
- the ability to communicate in one or more of the region's languages.

If you feel that you have the necessary qualifications and are interested in this career position, please forward your CV and a cover letter, quoting reference TSC TPM 97 12, to Antal International, at either: Rákóczi út 42, 1072 Budapest, Hungary; fax: 00 36 1 267 9104. Or: Betlemsky Palác, Husova 5, 110 0 Prague 1; fax: 00 4202 24 401 259.

ANTAL INTERNATIONAL

'A Global Recruitment Solution Applied Locally'

UK • CZECH REP • FRANCE • GERMANY • HUNGARY • ITALY • POLAND • ROMANIA • RUSSIA • UKRAINE • USA

FINANCE DIRECTOR

HOUSEHOLD PRODUCTS MANUFACTURING

SAUDI ARABIA

TO US $100,000 (TAX-FREE) + BENEFITS

Our client, a leading Saudi Arabian-owned business, manufactures detergents, cleaning and hygiene products for Middle East markets. Aggressive marketing strategies, innovation and excellent product quality mean that they are brand leaders in several categories.

Reporting to the Managing Director, you will be a key member of the Executive team, which includes several expatriates, with responsibility for maintaining the company's remarkable, but sustained, 40% annual growth record.

A professionally qualified accountant with a good business degree (and preferably an MBA), you'll be a dynamic, hands-on professional, able to improve and implement a comprehensive cost control and budgetary system and oversee the delivery of sound financial disciplines across all commercial activities. The ability to contribute to long-term strategic plans and play a leading role in evaluating proposed new business ventures and acquisitions is essential.

Experience of cost accounting systems and gross margin analysis within FMCG manufacturing is vital. In addition, you will manage the MIS department, which uses Pegasus Opera, to ensure the provision of accurate and timely management information, and assist with annual audits and the preparation of regular and end of year accounts. Although Middle Eastern experience is not essential, you must demonstrate an understanding of the complexities of managing a multi-ethnic team.

A negotiable tax-free salary and bonus is offered, together with a very generous package of expatriate benefits including good quality housing, paid school fees and free flights home twice yearly. There are excellent opportunities for career progression and development.

Please write, in confidence, with full career details and salary expectations and quoting reference 3341/14, to Ghassan E Yazigi, Executive Director, Middle East Practice, Heidrick & Struggles, 100 Piccadilly, London W1V 9FN.

HEIDRICK & STRUGGLES

منطقة الشرق الاوسط • Middle East Executive Selection

FINANCIAL CONTROLLER

JOINT VENTURE FOR AN INTERNATIONAL WHOLESALE TELECOMMUNICATIONS BUSINESS

WEST LONDON/THAMES VALLEY **c.£50,000 + BENEFITS**

- New joint venture established by a US Voice Service Provider and a subsidiary of a Northern European domestic group with international interests, a turnover of £400 million and a commercial plan to grow fourfold in five years.
- Start-up company taking advantage of a market opening to build an international wholesale network and customer base by selling high quality voice minutes to telephone companies throughout Europe.
- Financial Controller is now required to guide the CFO (a non UK national from the parent company) through UK statutory and legislative financial practices and be capable of taking over this role once the current CFO has completed his work in the UK.
- A Chartered Accountant either direct from practice or industry with a comprehensive understanding and first class technical ability in financial control and analysis gained preferably in an international environment. Treasury and tax experience a significant advantage.
- Results driven commercial thinker, with the intellectual depth to multi-task and deal with business issues autonomously. Capable of working in a fluid and proactive environment requiring *flexibility and interpersonal flare.*
- Rare chance for an outstanding finance professional to join an ambitious business at its inception with the real potential to develop a career to CFO of an international telecommunications business.

Please apply in writing quoting reference 1473
with full career and salary details to:
Keith McCambridge
Whitehead Selection
11 Hill Street, London W1X 8BB
Tel: 0171 290 2043
http://www.ghoct.co.uk/whitehead

Whitehead SELECTION
A division of Whitehead Mann Ltd,
a Whitehead Mann Group PLC company

CHIEF FINANCIAL OFFICER

START-UP FOR AN INTERNATIONAL RETAIL TELECOMMUNICATIONS BUSINESS

WEST LONDON/THAMES VALLEY **c.£70,000 + STOCK OPTIONS**

- New business enterprise established by a subsidiary of a Northern European domestic group with international interests. International turnover is £400 million with 500 staff and a commercial plan to grow fourfold in five years.
- Start-up company taking advantage of a market opening to build an international retail operation for voice traffic using Open Service Platform technology. Services will include long distance, debit and travel card, internet and local service facilities. The business will provide all retail functions such as customer service, order entry, provisioning and billing.
- CFO required to establish and lead the financial management of this new business, reporting to the Chief Executive. Responsible for the creation of financial systems, IT infrastructure and a finance team capable of serving a rapidly growing, high volume transaction and customer facing environment.
- A qualified accountant, the successful candidate will be able to demonstrate a significant record in strategic financial management within a fast moving international business and have a history of proactive involvement in business planning. Start-up experience would be desirable.
- Dynamic, driven and entrepreneurial, you will be capable of developing an empathy with the business and the commercial acumen to apply financial solutions to business problems. Practical, hands-on approach with the charisma to establish credibility both internally and externally at all levels.
- Unique opportunity to be instrumental to the creation and growth of a multinational business within an exciting and challenging sector. This role offers the right candidate the chance to take ownership of the financial management of a business and develop with the company.

Please apply in writing quoting reference 1468
with full career and salary details to:
Keith McCambridge
Whitehead Selection
11 Hill Street, London W1X 8BB
Tel: 0171 290 2043
http://www.ghoct.co.uk/whitehead

Whitehead SELECTION
A division of Whitehead Mann Ltd,
a Whitehead Mann Group PLC company

Major International Information Technology Group

Central London **to £40,000 + Benefits**

Our client has recently been acquired by one of the leading European IT companies involved in consulting, systems integration, products and outsourcing. It operates in partnership with other businesses within an exciting and rapidly evolving marketplace. Two challenging and commercially focused opportunities have arisen as a result of an internal restructuring.

Financial Operations Manager

The Role

With a move to a new systems environment and process integration, this role has evolved reporting to the Finance Director. You will specifically cover:

- Planning and analysis using multi-dimensional analysis systems.
- Financial review liaising with controllers throughout the Company.
- Review of consolidation.
- Preparation of senior management information pack.
- Analysis of forecast demand levels and appropriate cost drivers and resources.
- Systems development and integration for finance users.
- Financial Integrity

The Person

- A qualified accountant.
- Strong systems accounting experience.
- Major multi-site company experience.
- A team player who relishes the opportunity of working in a dynamic environment.

Travel to Reading on a regular basis may be required.

Ref 366857

Business Controls Manager

The Role

A number of multi million pound contracts have been set up, each with stringent performance requirements wherein the potential risk is significant. Reporting to the Finance Director, you will specifically cover:

- Risk assessment.
- Materiality.
- Contract compliance.
- Business and control improvements in conjunction will risk limitation.

The Person

- Likely to be a qualified accountant.
- Experience of risk assessment and management.
- Strong systems accounting and audit background.
- Solid appreciation and understanding of work flows and processes (IT and non IT related).

Ref: 366772

Interested candidates should apply in writing, enclosing a full curriculum vitae (including daytime telephone and details of present remuneration) to Simon Keating at Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LN.

Michael Page Finance
Specialists in Financial Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

Asian Banking Opportunities

Leading Global Investment Bank **Singapore RHQ Based**

Our client is a leading international investment bank and one of the world's leading financial institutions renowned for their innovative products and derivative structures. In line with their continuing expansion in the Asia-Pacific, they are seeking to appoint the following senior roles:

Business Unit Control, Head

• Money Market Derivatives/Repos

Reporting to the Global Markets Business Unit Controller and managing an experienced team, you will be responsible for MM/MM derivatives, repos and treasury. You will be the driving force linking front to back office, dealing with daily product accounting issues, quantitative risk analysis and P&L attribution. Your contribution will be instrumental to the strategic direction of the team.

ACA-qualified, you will have a track record of at least eight years in a similar function in an investment bank and possess solid product and accounting knowledge, analytical and management skills.

Compliance Manager

• Global/Capital Markets

Reporting to the Regional Head of Compliance, responsible for the development and implementation of the local compliance function, you will have a strongly proactive role in ensuring compliance with applicable legislation in daily business, reviewing proposed transactions and developing policies for the bank's global and capital markets business with a need to keep abreast of new legislation.

Degree qualified, preferably in law/finance/banking, you will have good working knowledge of treasury, global or capital market activities. A team player, you will competently contribute at all levels of management. Previous experience of compliance will be ideal, however knowledge of banking, markets and operations will be well regarded.

As both roles are senior positions within the bank, salary and remuneration package will be highly attractive for the right candidate. Please telephone 00 65 533 2777 or fax your resume to Foong-Kam Lee at Michael Page International, 24 Raffles Place, #17-05 Clifford Centre, Singapore 048621. Fax 00 65 533 7227. Email:mpagesin@mbox4.singnet.com.sg

Michael Page International
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Frankfurt Madrid Milan Hong Kong Singapore Sydney Melbourne Auckland New York

Do you have CFO or CEO potential?

The ultimate leadership development programme

GE offers challenge, exhilaration and opportunity on an accelerated management programme unlike anything else in the business world today.

World leader in terms of market capitalisation and one of the most profitable businesses in the US, GE aims to be first in each of its core markets – from financial services to lightbulbs, aircraft engines to network broadcasting. One of Europe's fastest-growing giants – GE Capital alone has acquired one European business every fortnight for the last two years – GE's global performance is consistently ground-breaking. This rapid growth fuels a demand for exceptional finance and business professionals, with the will and the talent to build on their training and develop the business experience necessary to move rapidly into a CFO or CEO role anywhere in the world.

GE's multi-disciplinary, multi-cultural Audit Staff is the premier training ground for these business leaders. Offering a chance to touch all 12 core businesses, it leverages existing experience and provides the fastest career path to management within GE's $79 billion global corporation. Radically different from audit in the profession, the brief is wide-ranging: anything that has an impact on performance is analysed and challenged, developing and implementing plans for far-reaching change.

The pace is fast: individuals undertake three assignments a year in different businesses at varied locations worldwide. Carrying our proactive reviews and investigations, the team looks at critical business processes, spreading best practices, questioning the status quo and driving improvements in speed, quality and productivity. Challenging and diverse in its work, the team's aim is to make GE's businesses not a little better but dramatically better. The travel is demanding – you will be away on assignment or training 100% of the time – but the fly-home policy and benefits are generous and flexible.

From day one, the learning curve is steep. A constant review programme which continues throughout your career ensures that training and assignments are tailored to your needs. Around six weeks in the first year alone are devoted to formal training. Some of the best minds from within GE lead courses ranging from presentation and management skills through to business-related training covering facilitative leadership and business process re-engineering.

The learning opportunity is so enormous and the breadth of experience so wide that you will make rapid progress. Associates are typically promoted after a year and become Managers after two. Three years in the team prepares you for a leadership role anywhere in the world.

The qualifications required are simple: an outstanding academic record, 2 - 5 years' experience and evidence of real achievement in a 'Big Six' firm or any business function of a major international organisation. Most important, however, is a real desire to make an impact, maximise your potential and ultimately to lead others. You will need enormous energy, relish change and have a passion for excellence. You must also have strong analytical skills and a truly international mindset, with the ability to drive quality and change in a company that detests red-tape and bureaucracy.

Interview sessions take place throughout the year. If you would like to take up the challenge - either now or in the next 12 months - please send a copy of your CV and current salary details quoting ref: 230, to Alderwick Consulting Ltd, 95 Fetter Lane, London EC4A 1EP. Fax (+44) 171 242 3560. If you are undecided or would like more information, please telephone for an informal discussion in confidence on (+44) 171 242 9191 (weekdays), or (+44) 1732 811249 or (+44) 171 731 2575 (evenings and weekends).

USA*

GE

An equal opportunity employer

**Trademark of General Electric Company, U.S.A., which is not connected with the English company of a similar name.*

Director of Financial Analysis

London – £100,000 + Benefits

An exceptional opportunity to join this £6 billion turnover International Distribution Group and contribute to the improved performance of the Group by providing the Board and senior management with high quality financial reviews of the Group's activities.

The Position

- Reports to Group Finance Director and responsible for a small team of Financial Analysts.
- Build effective working relationships with financial and operating staff in the business streams.
- Direct involvement with ongoing operating activities, strategic plans, capital expenditure plans, acquisitions, disposals and joint ventures and new business initiatives.
- Excellent entry point to make an immediate impact and to progress quickly either at the corporate centre or within the business streams.

Qualifications

- Aged 35-42. Qualified accountant with a minimum of ten years financial management experience of which at least three must have been in a highly regarded international company.
- Well equipped to apply rigorous analysis to complex business situations whilst maintaining commercial overview.
- Capable of working effectively in a fast moving corporate situation. Extensive international travel.
- First class communication skills and ability to develop and motivate people.

Candidates should send details of career to date and current remuneration, quoting ref 8B1 to: Carol Coyle, Director of Research, Ian Jones & Partners, 5 Aldford Street, London W1Y 5PS.

Inchcape

Chief Accountant

Japanese Bank

City – c. £50,000 plus bonus and car

■ *Our client is a progressive and highly respected Japanese bank at the forefront of international commercial banking, with a strong and established Branch presence in the City employing 104 people. It is part of one of the world's largest financial institutions, in terms of assets, and boasts an impressive blue chip client base. The bank is now poised to further expand its activities in structured and project finance, as well as treasury and trading activities.*

■ *Reporting to the head of Accounting and Operations, the Chief Accountant will manage a finance team of two staff with overall responsibility for the financial and management accounting for the Branch, including all statutory reporting to the Bank of England and the SFA, as well as all taxation matters relating to the Branch. In addition, there is a requirement to develop additional management information, with particular emphasis on new product areas, to ensure that these are properly controlled.*

■ *You must be a qualified accountant aged 28 to 38, with at least 5 years' post qualification experience in a banking or financial services environment, and possess a comprehensive understanding of the accounting systems and procedures relating to swaps and derivative products. You will have a practical "hands on" approach, together with well developed relationship management skills and ideally an awareness of the culture within a Japanese organisation. This role would also suit appropriately qualified accountants looking for their first move out of public practice and represents an excellent career opportunity for the successful candidate.*

Please send your curriculum vitae with current salary details and an explanation of how you meet these requirements to Carrie Andrews or Tim Hastings, Ernst & Young Management Resourcing, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH, quoting reference CA153.

ERNST & YOUNG

The United Kingdom firm of Ernst & Young is a member of Ernst & Young International

european finance professionals

£40 - 55k package **Various European locations**

Our client is one of the world's largest integrated oil and petrochemicals businesses.

As part of a process of business improvement and the development of a shared services organisation, the European operation seeks several high calibre, European Finance Professionals - working as individual contributors or in managerial roles - for positions at its London-based, shared-services centre and at other European locations.

Main responsibilities will include:-

- Change management, including playing a key role in the current implementation of shared service organisation.
- Analysing business information and influencing commercial decisions.
- Managing and developing project and/or functional teams.
- Financial controls and systems implementation of specific local packages and global integrated systems (eg SAP).

To succeed in these high profile roles, you must possess a minimum of 8 years' finance experience, some of which should have been gained in an industrial and/or multicultural environment. You should also have the interpersonal skills and intellectual capacity to make a real contribution to the future strategy of the business. International mobility is vital, hence additional languages would be a distinct advantage.

Financial rewards and career prospects are excellent.

Please apply directly to Helen Mobbs at: Robert Half International, Walter House, 418 The Strand, London WC2R 0PT

Tel: 0171 836 3545, Fax: 0171 836 4942.
E-mail: london@rhalf-at.co.uk

ROBERT HALF®
A Division of Robert Half International

London • Brussels • Paris • Amsterdam • New York and over 200 offices worldwide

elf exploration uk plc

Tax Adviser

London — Excellent Salary + Benefits Package

Elf Exploration UK PLC is a subsidiary of Elf Aquitaine, which ranks among the world's top ten petroleum and chemical companies.

The taxation department plays a key role in the business operations of the company, in which an opportunity has arisen for an individual to join the team.

Principal responsibilities will include:

- Preparation, submission and negotiation of CT computations and PRT returns and claims.
- Liaison and co-operation with other licensee joint venture companies.
- Assistance in tax planning, including liaising and assisting the four asset groups of the company.
- Participation in tax accounting and the reporting functions.

Interested candidates should be qualified Chartered Accountants with at least three years post qualified corporate tax experience. Previous oil and gas experience would be an advantage but not essential.

This is an excellent opportunity for a team player who is quick to learn and keen to fulfil a role that will provide a variety of both tax and commercial experiences.

If you are interested in this position, please contact Mark Pryor on 0171 269 2248, or send your curriculum vitae to him at Michael Page Taxation, Page House, 39-41 Parker Street, London WC2B 5LN. Alternatively, fax on 0171 831 6662.

MP
Michael Page Taxation
Specialists in Taxation Recruitment
London Bristol Birmingham Edinburgh Glasgow Leatherhead Leeds
Maidenhead Manchester Milton Keynes Nottingham Reading St Albans & Worldwide

ARE YOU GOING PLACES?

City Based - Worldwide Audit

£ Excellent + Banking Benefits — **Language Skills Desirable**

Headquartered in London, HSBC Holdings plc is one of the largest banking and financial services organisations in the world, with more than 5,500 offices in 79 countries and territories. We are the parent company of the HSBC Group, which has major treasury, investment banking and insurance interests worldwide.

Following our recent major expansion in South America, we are seeking a number of additional high-calibre professionals for our specialist team in London which is responsible for the worldwide audit of the Group's treasury, investment banking and insurance activities. The team's responsibilities include the review of risk management, operations, performance reporting, information technology and regulatory compliance.

You are likely to possess a strong academic record and be a qualified accountant, with at least 2 to 4 years' experience in financial services with a "Big Six" accounting firm or investment bank.

Strong product and business knowledge in one or more of the specialist areas covered is desirable, as are excellent communication and presentation skills. A willingness to take a hands-on approach in operational reviews is essential; fluency in foreign languages, particularly Portuguese or Spanish, is also desirable. Above all, you must be highly motivated and committed to a career within financial services.

These challenging roles offer unparalleled exposure to the HSBC Group's global financial services activities and to its senior management, with the attendant scope to develop your business skills and knowledge. The positions will involve up to 40% overseas travel to the world's major financial centres. Positions up to management level are available, with seniority based upon experience and skills. Salary, benefits and career development opportunities within the Group are excellent.

To apply, please send your CV, together with details of your current remuneration and a daytime telephone number, to Kevin Golder, HR Operations Manager, HSBC Holdings plc, 10 Lower Thames Street, London EC3R 6AE. Telephone 0171 260 9014.

HongkongBank • Midland Bank • Hang Seng Bank • Marine Midland Bank • Hongkong Bank of Canada • Banco HSBC Bamerindus • Hongkong Bank Malaysia • The British Bank of the Middle East • HongkongBank of Australia • HSBC Investment Banking • HSBC Insurance

HSBC Holdings plc
A WORLD OF FINANCIAL SERVICES

Senior Auditor

Lafarge is the world leader in construction materials: operations in 45 countries, 35 billion French francs in sales, 35,000 employees. The Group holds leading positions in each of its business lines: cement, aggregates and ready-mix concrete, gypsum and speciality products.

Lafarge seeks to develop its Internal Audit Department by reinforcing its team of auditors for the Group at large.
You will supervise operational audits on the management processes of the Group's business units (sales, production, finance and control, human resources, organization, investments) in France and abroad.
Your strong international background and professional knowledge of three languages will contribute to your development within the Group.
Please send your CV and a handwritten letter of motivation under the ref. MLC/09/FT1 to Lafarge Recruitment, 61 rue des Belles Feuilles, 75782 Paris Cedex 16, France.

LAFARGE
Materials for building our world

MÉDIA SYSTEM

Group Management Accountant

c. £45,000 + car + benefits etc. — North West

An excellent opportunity to join a dynamic, fast growing organization operating from a position of considerable financial and manufacturing strength.

Our client is a large private group with a wide and diversified portfolio of marketing and manufacturing activities and is an undoubted brand leader in several markets with a wide spread of high profile household name products and an enviable reputation for its growth record, profitability and innovative approach to business development.
Candidates should be computer literate accountants with a proven record in a f.m.c.g. manufacturing organization. They should have excellent communication and leadership skills; plus the capability of developing tight fiscal control systems in a complex sophisticated marketing and manufacturing group, with a total commitment to success. There is flexibility in the salary package for an outstanding candidate together with bonus potential, prestige car, free health, pension and life assurance schemes. Relocation assistance where necessary. Please send full personal, career and salary details in confidence to Ref: AKT199 Austin Knight U.K. Ltd. Ship Canal House, 98 King Street, Manchester M2 4WD

Replies will be forwarded to our client unopened

Austin Knight

City Skills... Country Life

Financial Services Specialists For Audit & Business Advisory Services

Opportunities Nationwide

Where would you really like to work? Silly question *really* because as a Financial Services specialist you would have to work in London. Or would you?

With Price Waterhouse, *this is far from the case as many of our* clients, whilst maintaining an important presence in 'the City', maintain significant parts of their financial management team in often attractive regional locations.

The Financial Services sector is one of the most innovative and dynamic of all and presents us with a wide range of professional challenges. These range from unravelling the financial technicalities *of new products and advising on complex regulatory* issues through to supporting a wide range of corporate transactions such as *mergers, acquisitions or disposals.*

Our audit clients include some of the largest and best known organisations in the international financial community including life and general insurers and brokers, two of the UK Clearing banks, a number of major international investment banks, and major building societies. *We are also strategically committed to* further developing this portfolio to become the adviser of choice to the world's major financial service providers.

A qualified Chartered Accountant, with up to seven years' PQE, *you are likely to have prior experience of working with clients in* this sector or might possibly be wishing to develop in this direction. Whichever of these is the case, you will be an experienced manager, a strong communicator and ready to work *with clients at the highest level whilst developing new areas of* professional expertise. A range of locations is available but with particular opportunities in **Bristol, Manchester** and **Edinburgh.** If, on reflection, you see your future in London we would still like to talk to you.

PW offers an attractive remuneration package which would include participation in our Flexible Benefits scheme which allows you to express a preference for those benefits which suit you. Relocation assistance may be available if appropriate.

Interested candidates should send a comprehensive CV to:
Charles Macleod, Price Waterhouse,
32 London Bridge Street, London SE1 9SY.

Price Waterhouse

Price Waterhouse is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

US INVESTMENT BANK - ASIA PACIFIC REGION

MANAGING DIRECTOR - INTERNAL AUDIT

Excellent US$ package + relocation + expat benefits — HONG KONG

This is an outstanding opportunity for an ambitious individual to head the Asia Pacific audit operation of one of the world's most prestigious banks. Our client is a US investment bank with a long established presence in most key markets in Asia. It has an excellent network of offices in the region and a strong infrastructure in *terms of individual product lines and businesses.*

The Position

- Report to the Global Head of Audit based in New York.
- Instigate, manage and direct a comprehensive program of audit coverage across the Asia Pacific region.
- Lead and develop teams auditing business areas including structured finance, credit, private equity, risk management products and services, trading (FX and arbitrage), asset management and Private Banking.
- Manage all aspects of risk assessment, working closely with line management, external auditors and regulators.
- Contribute to the firm's world-wide audit policy and practices.

The Requirements

- Qualified ACA or CPA.
- Impeccable track record of management within an audit environment in a respected banking, financial services institution or "Top 6" Public Practice firm.
- Dynamic leadership skills combined with highly developed control orientation and total commercial awareness.
- *Knowledge of the listed business areas including* experience of auditing debt and equity derivative trading areas.
- Emphasis on attention to detail, controls and risk.
- Adaptable and able to work productively within a business embracing significant change.

Please send your CV with current salary details to: David Burton, K/F Selection, 252 Regent Street, London W1R 6HL, quoting ref: 6740J/04.

Alternatively send by fax on 0171-312 3380 or by e-mail to kfs-london@kornferry.com Internet Home Page: http://www.kfselection.com

K/F SELECTION

A DIVISION OF KORN/FERRY INTERNATIONAL

Financial Controller

Competitive Salary Package — North West

Pivotal role for first-rate finance professional with global group.

THE COMPANY

- £225m turnover distribution subsidiary of market-leading international manufacturing group.
- Strong customer focus in challenging, competitive market sector.
- Committed to people development. Considerable scope for talented individuals to influence and progress.

THE POSITION

- High visibility role. Build professional finance function to meet evolving business needs and group requirements.
- Forge excellent relationships internally at senior level and externally with customers and advisors.
- Manage, coach and motivate team. Develop commercial and financial awareness across business.

QUALIFICATIONS

- Highest calibre Chartered Accountant, with background in dynamic organisation.
- Wide-ranging business exposure, commercially astute and technically strong. Experience of managing change and leading/developing significant teams.
- Mature, confident, resilient. Exceptional communication and influencing skills. Keen to develop career on international scale. Determined to succeed.

Please send full cv, stating salary, ref BI70704/R, to NBS, Berwick House, 35 Livery Street, Birmingham B3 2PB
Fax 0121 233 4332 Tel 0121 233 4656

Aberdeen • Birmingham • Bristol • Cardiff • City • Edinburgh • Glasgow — Leeds • London • Manchester • Radlett • Slough • Madrid • Paris

NB Selection — NBS — Midlands

A BNB Resources plc company — ISO 9002 Registered

■ LA SOCIÉTÉ : Notre client est un groupe international coté en Angleterre qui fabrique et distribue des produits mécaniques de grande précision. Sa division automobile en France, fournisseur de nombreux constructeurs mondiaux, est fortement rentable et prévoit une croissance rapide dans les années à venir, appuyée par des investissements importants. Elle souhaite recruter son :

Controller

France nord — 380/430 KF +

■ LE POSTE : Rattaché au Directeur Général et à la tête d'une petite équipe, vous prendrez en charge toutes les informations de gestion, notamment le reporting, le contrôle de gestion industriel, les budgets, les plans et les études investissement. Vous serez fortement impliqué dans la préparation des comptes statutaires et dans les relations avec les auditeurs. Vous aurez de nombreux contacts avec les autres directeurs de la division concernant le développement des activités en France ainsi que le contrôle des coûts industriels et des projets d'investissement.

■ LE CANDIDAT : De formation école de commerce ou universitaire, idéalement diplômé expertise comptable/DECS ou équivalent, vous bénéficiez d'environ 7 à 10 ans d'expérience au sein de la fonction finance d'un groupe international et industriel. Vous avez d'excellentes connaissances du reporting, du contrôle de gestion industriel, des méthodes anglo-saxonnes et de l'informatique. Vous parlez couramment l'anglais et le français et disposez forcément d'une expérience professionnelle en France. Enfin, vous êtes capable d'aborder des sujets stratégiques et opérationnels au niveau d'un comité de direction.

■ Merci d'adresser un dossier de candidature complet à notre conseil, Matthieu BEAURAIN, en mentionnant la référence 3901/MBFT, à ROBERT HALF FINANCE ET COMPTABILITÉ, 39 avenue Pierre 1er de Serbie, 75008 PARIS, ou par fax au 01 47 23 38 00 ou par e-mail (Format MIME ou BinHex) arobert@halfmgn.fr. Consultez notre serveur internet http://www.roberthalf.com.

LBW

Norman Parsons — ROBERT HALF FRANCE.

FINANCIAL CONTROLLER

Circa £35,000 plus benefits

Keyline Brands Ltd, based in West London, is a £6m developing young company operating in the toiletries field as a manufacturer and distributor. Growth has come from acquisition of UK businesses and successful management of brands from overseas principals.

The company wishes to appoint a qualified accountant to manage all aspects of its financial affairs. Responsibilities will include cost accounting, management accounting, financial strategy and Company Secretarial duties.

The position, reporting to the Managing Director, offers the opportunity of close involvement in planning the further development of the company in a fast moving field.

Candidates should have a good record of experience and achievement in industry. Excellent systems and IT skills and the ability to work in a small management team are essential. Please write, enclosing a detailed C.V. to Gill Greenwood, Human Resources Consultant, at:

Keyline Brands Ltd
3/4 Armstrong Way
Great Western Industrial Park, Southall

CHIEF FINANCIAL OFFICER

The AES Corporation - one of the world's leading global power companies - is in the final stages of aquiring a large integrated electric utility in Eastern Kazakstan. In order to restructure the utility into a more competitive and business-orientated organisation better able to meet the many challenges ahead we are looking to appoint an experienced, versatile and commited person to the position of Chief Financial Officer. This position will be based at the utility's offices in Ust-Kamenogorsk Kasakstan.

The successful candidate will be an integral part of a management team that aims to reduce waste and improve both operation and payment collection efficiency. This person will be responsible forproducing the full range of monthly and annual *reports in compliance* with *both the laws of Kazakstan* and *US GAAP standards, as well as raising short term* financing from local banks and securing longer term international financing for the major capital investments planned. The utility's current debt restructuring effort will be expected to continue under your guidance.

This person should be educated to degree standard and be in possession of a recognised professional accounting qualification, e.g. ACA, ACMA, CPA, etc. At least five years of accounting or financial experience is required; experience within the energy sector is desirable, but not necessary.

Fluent English, and a working knowledge of Russian, are desirable for this position.

AES is a decentralised company bound together by the principles of integrity, fairness, fun and social responsibility by which we try to conduct our business. This is an outstanding opportunity to join a very successful and dynamic group of poeple that is helping countries all over the world produce clean, reliable and economical electric power. The position offers an attractive remuneration and relocation package.

Please reply, with your CV and salary details, to:

Mr Stelious Vassileou, Group Accountant
The AES Corporation, Burleigh House
17-19 Worple Way, Richmond, Surrey TW10 6AG ENGLAND

PANNELL KERR FORSTER

Partnership Opportunities

Leeds/Manchester — £ Excellent Package

Pannell Kerr Forster has [illegible] world's leading accountancy and consultancy firms with a network of almost [illegible]

Following the recent merger of their [illegible] London offices, four potential partnership opportunities have arisen. The [illegible] are required are:

[illegible] (Leeds/Manchester)

[illegible] Tax [illegible] (Leeds)

[illegible] Diligence [illegible] (Leeds)

Initially, the key [illegible] will be simple: [illegible] business opportunities and [illegible] locally and [illegible] both potential and existing clients.

As a result, the successful candidates [illegible] qualified specialists [illegible] their various fields and will be personable, determined and able to [illegible] levels within the business community. Ideally, the firm is looking for [illegible] develop the market in Yorkshire and the North West.

This campaign represents a [illegible] younger and those more experienced, senior candidates who aspire to partnership [illegible] Pannell Kerr Forster. The firm is interested [illegible] to those who feel they have the skills and experience required and [illegible] in this friendly, [illegible] and successful environment, including partners in other firms.

For more information on these opportunities, please telephone our retained consultant Patrick Gatenby ACA on 0113 246 9155. Alternatively, send a full curriculum vitae to him at Michael Page Finance, Leigh House, 28-32 St Paul's Street, Leeds LS1 2PX or fax 0113 243 3177. Please quote reference 362944/FT.

This assignment is being [illegible] with exclusively by Michael Page Finance.

Michael Page Finance

Group Finance Director

Branded Consumer Products

c.£60,000 + Bonus + Executive Benefits — West Midlands

Challenging role in well-regarded household name at time of exciting growth. *Exceptional opportunities for personal and corporate development.*

THE COMPANY

- Established, market-led manufacturer. Strong brand, powerful heritage. Impressive customer base.
- Ambitious, profitable, private company. £21m turnover. Serves UK and export markets, US subsidiary.
- Impressive Board and senior management team. Driving growth through innovation and product development.

THE POSITION

- Key Board position to deliver high quality, business focused, financial and management information.
- Pivotal role in acquisition due diligence and evaluation of all strategic business issues.
- Advise on financial impact of decisions. Drive budgets and forecasts and rigorous cash management.

QUALIFICATIONS

- ACA, top- level financial control experience in dynamic manufacturing environment. Exposure to working with non-executive directors.
- Able to contribute across all functional areas. Strong on budgeting, forecasting, analysis and commentary. Ideally, acquisitions experience.
- Strategic thinker with exceptional drive, tenacity and communication skills. Stature, credibility and confidence to challenge the status quo.

Please send full cv, stating salary, ref BI70112/R, to NBS, Berwick House, 35 Livery Street, Birmingham B3 2PB
Fax 0121 233 4332 Tel 0121 233 4656

Aberdeen • Birmingham • Bristol • Cardiff • City • Edinburgh • Glasgow — Leeds • London • Manchester • Radlett • Slough • Madrid • Paris

NB Selection — NBS — Midlands

A BNB Resources plc company — ISO 9002 Registered

WRU

Group Finance Director

Welsh Rugby Union

C.£50,000 - £55,000 + CAR AND BENEFITS

Welsh Rugby is going through a period of unprecedented development, including the incorporation of the Welsh Rugby Union. In addition to managing the process of change in the era of the open game, the WRU is hosting the 1999 Rugby World Cup and building a new 73500 seater stadium and retail complex which will be one of the finest sporting and leisure arenas in the world.

The Role

- Responsibility for all financial management of the WRU, in all of its activities
- A key executive of the WRU, recommending and advising on strategic and commercial opportunities
- Management and development of all accounting functions to meet the needs of the business
- Optimising the benefits of systems and processes in a rapidly changing situation
- Leading a dedicated professional team.

The Candidate

- Enthusiastic, creative and pro-active qualified accountant, ideally with Company Secretarial experience
- Experienced at senior financial management level in a complex and fast moving commercial environment
- Background in the implementation and enhancement of financial systems
- Self starter with energy and commitment
- Proven team leader with the personality to be influential and effective at all levels inside and outside the WRU.

The benefits package will include expenses to cover relocation to the Cardiff area.

Please write, in confidence, with full career and salary details to Rod Shaw at MSL International, 7 St Andrews Place, Cardiff CF1 3BE quoting ref: 64057.

Alternatively, apply online via The Monster Board http://www.monster.co.uk

MSL

CARDIFF OFFICE — TEL: 01222 345 534 — 11 OFFICES NATIONWIDE

Head of Finance

An outstanding opportunity to develop and direct finance and risk management in a leading global bank

City **to £100,000 Package**

Our client is a leading international bank with an enviable reputation for providing a complete range of banking services to major corporates, sovereign and quasi-sovereign entities on a global basis. The bank is a market leader in a variety of specialised banking products including syndications, project finance, structured trade finance, aerospace finance and capital markets. It has an extensive global network including branches and representative offices throughout Europe. Due to the importance of its London business and the bank's commitment to continued development and growth, it now seeks to appoint a Head of Finance responsible for financial and regulatory reporting and risk management.

This is a new position created to bring together the accounting regulatory and risk areas for the first time, enabling more strategic control to be exercised over the business in London. The Head of Finance will be expected to lead and direct the new combined function evolving it into a department which analyses and gives advice to management, thereby playing a significant commercial and management role.

The position offers a real challenge to the right individual giving broad scope to use initiative and technical expertise. Candidates are likely to be graduate qualified accountants (ACA preferred) with a minimum of 10 years post qualification experience in a commercial or investment bank or securities house. The successful candidate will be a first class communicator with strong management and leadership skills as well as confidence, drive and determination.

He or she will also have extensive exposure to treasury accounting techniques and a good understanding of the interaction of the risk management process with the balance sheet. As this is a new role, proven start up/project skills are important as is an ability to facilitate change.

Interested candidates should send a full CV in strictest confidence to Sarah Hunt at Michael Page City, 39-41 Parker Street, London WC2B 5LN or fax her on 0171 405 9649.

MP

Michael Page City
International Recruitment Consultants
London New York Paris Amsterdam Frankfurt Milan Madrid Hong Kong Singapore Sydney

---

KPMG

Group Finance Director Designate

"International plc"

- **Midlands**
- **c£75,000 + benefits**

Our client is a well established, Midlands based plc in the manufacturing sector. Due to the imminent retirement of the current Group Finance Director, the group wishes to appoint a high calibre, commercially orientated professional to take on the role of Group Finance Director Designate.

Working closely with the Board, the successful candidate's ultimate responsibility will be to ensure that the financial management of the group maximises operational control and profit performance.

The role carries a significant responsibility to contribute to the thrust and direction of the group's strategy.

Additional tasks will include managing relationships with professional advisers and bankers, and will involve interface with the City and financial institutions.

This is an outstanding opportunity for a Financial Controller or Divisional Finance Director looking for their first plc financial directorship or a Group Finance Director of a smaller plc.

Applicants must be qualified accountants with a career track record, which preferably has an international dimension and clearly demonstrates ambition and achievement. Financial and business skills should be accompanied by strong communication skills. Furthermore, the chosen candidate will be "hands on", and have a robust character.

Applicants should write, enclosing full career and salary details, quoting reference B/638/97 to Alison Hann, KPMG Selection and Search, 2 Cornwall Street, Birmingham B3 2DL.

KPMG Selection & Search

LEADING MIDDLE EAST BANK

FINANCE OPPORTUNITIES

Excellent tax free compensation and expatriate benefits **Based in SAUDI ARABIA**

Our client is one of the best capitalised and most secure banks in the Middle East region. It is at a point of major development. Currently in an expansionary phase, the bank requires highly motivated and talented professionals to maintain its market-leading position. The bank is offering you the opportunity to make a difference, to take on a real challenge and be well rewarded. Both the positions mentioned below demand innovative professionals who are motivated by a strong work ethic. Educated to university level or equivalent, you will be the type of individual who makes a genuine difference to any organisation, and who can share expertise by acting as a coach and mentor to colleagues.

SENIOR MANAGER – PROFITABILITY ACCOUNTING

The Position

- Interface with a variety of product areas, market groupings and relationship managers and evaluate the appropriate business information requirements.
- Define, implement and manage improved profitability measurement systems.
- Initiate in-depth financial analysis and lead efficiency studies to identify profit enhancement and cost reduction opportunities.
- Manage the bank's financial planning and reporting process and provide decision support assistance to the operating units.

The Requirements

- Accomplished business-facing finance professional, of graduate calibre, with at least five years' experience in investment banking. Exposure to the Saudi banking environment would be advantageous.
- A well developed customer focus with the insight and initiative to continually improve business performance.
- A keen eye for detail to ensure timeliness, accuracy and usability of controls, processes and services.
- Superior presentation skills, maturity, confidence with an ability to influence the decision making process.

Ref: 90380A/04

FINANCE OFFICER – INTERNATIONAL DIVISION

The Position

- Establish, co-ordinate and administer the financial planning process for the division's financial operations.
- Oversee the management reporting process, providing a critique of divisional performance relative to the operating plans and budgets.
- Improve existing internal control systems and procedures, introducing improvements where necessary.
- Develop, maintain and enhance the accounting, management, regulatory reporting and risk management systems for international investment and trading portfolios.

The Requirements

- Graduate calibre, qualified accountant with a minimum of five years' experience of financial control, planning and budgeting gained within investment banking.
- In-depth understanding of securities and currency accounting, loan syndication and treasury.
- Strong analytical skills demonstrated in written analysis of business and financial data, harnessed to a sound background in financial planning.
- Possess first-class presentation and communication skills with the credibility and confidence to influence the decision making process.

Ref: 90380C/04

Please send your CV with current salary details to: David Burton, K/F Selection, 252 Regent Street, London W1R 6HL, quoting the appropriate reference, by 25 September 1997. Alternatively send by fax on 0171-312 3380 or by e-mail to kfs-london@kornferry.com Internet Home Page: http://www.kfselection.com

K/F SELECTION
A DIVISION OF KORN/FERRY INTERNATIONAL

GROUP TAX MANAGER

FTSE 250 GROUP, LANCASHIRE

This highly successful international FTSE 250 group supplies technically advanced consumables from manufacturing locations around the world to a wide variety of industry sectors. The Group Tax Manager reports directly to the Finance Director and works as an integral member of a tightly knit senior finance team including a small US tax department. Key responsibilities will include:

- *handling the worldwide tax affairs of the group*
- *international tax strategy and planning including acquisitions, restructurings and cross border transactions*
- *advising on tax issues relating to the treasury function*

It is essential that the successful candidate is a confident, business-minded individual capable of establishing credibility quickly. You will have trained with a Big 6 firm and have gained a minimum of 4 years' post qualification UK and international (particularly European) corporate tax experience within the profession or industry. In return our client can offer stimulating structural and transactional work within an environment where you will enjoy a high degree of responsibility. The remuneration package includes a full relocation package if required.

c. £50,000-£60,000 + full executive benefits & relocation

For an initial discussion about this excellent opportunity in the North West please contact Jim Birtwell on 0171 415 2800 or write to him at Brewer Morris, 179 Queen Victoria Street, London EC4V 4DD. Fax: 0171 463 0740. Initial interviews will be held in Manchester/London

BREWER • MORRIS
TAXATION RECRUITMENT SPECIALISTS

Europe... ...nalysts

South East **Excellent Package**

Our client is the European division of a global consumer products company whose expansion in recent years has been outstanding. Annual sales world-wide are now in the region of $14 billion. The potential for further growth, both domestically and throughout the world, has never been greater.

Against this background, the company is looking to recruit a number of top quality Business Analysts to join the European business finance team.

The task is to provide business unit managers with sound commercial analysis of existing operations, to evaluate new business opportunities and to contribute to the development and implementation of future business and financial strategies across Europe.

A graduate, you will probably be a qualified accountant, or an MBA, and will already have had several years' experience within the corporate planning or finance function of an international manufacturing business.

A good communicator, orally and in writing, you will have proven analytical and financial skills, combined with the self-confidence and maturity to operate effectively at all levels of the organisation. In your career to date you will have demonstrated your ability to work equally effectively as a key member of close-knit teams, or independently with the minimum of day-to-day direction. Experience of working in a continental European location would be a distinct advantage, as would the ability to speak more than one European language. Fluency in English is essential.

This is an excellent opportunity for high-potential individuals and it offers a remuneration package to be expected of a major multinational business, together with career development opportunities across Europe.

Please reply in confidence, enclosing a full curriculum vitae and quoting reference B2016, to: Alexander Hughes Selection, 14-16 Lower Regent Street, London SW1Y 4PH.

ALEXANDER HUGHES
S E L E C T I O N
A Company Member of the CPM Search International Network

The World Bank, the leading multilateral organisation in global economic development has several positions available for well qualified and experienced

Financial Management Specialists

to be appointed in Washington, D.C., USA as well as in a number of the larger developing countries throughout the world. The World Bank is working with its borrowers to develop improved financial accounting, reporting, internal control and auditing arrangements for funds made available under its loan, credit and trust fund arrangements. Applicants should be:

- qualified professional accountants and/or have at least a relevant master's degree
- familiar with International Accounting Standards and International Standards on Auditing, standard setting arrangements, professional accounting body issues and regulatory frameworks
- minimum 7 years experience in accounting and reporting for governments, their agencies, public and private sector enterprises, national auditing requirements or large audit firm public practice
- experienced in carrying out accounting and auditing diagnostic work and making and defending clear recommendations to senior government officials
- preferably skilled and experienced in developing countries in educating, working with and helping others to learn and put in place good financial management practices, in differing cultural contexts
- confident, highly motivated, able to work under pressure, a good team player and computer literate
- preferably have language skills in French, Spanish, Portuguese, Arabic, Chinese or Russian in addition to English
- open to being stationed in and/or frequently traveling to any of the Bank's borrower countries

Additionally, the Bank wishes to appoint a person who has all the above skills and competencies as:

Financial Management Training Coordinator

to be responsible to the Director of the Loan Department for the design, development and implementation of a broad range of secondment and Bankwide financial management staff skills training programmes including CD ROM based self-paced learning approaches for borrowers' staff. Staff mentoring will be an important feature of the assignment as will demonstrated ability to work with international and national professional organisations and universities.

Applicants should send a detailed curriculum vitae, in English, indicating Washington, D.C. or developing country of interest for appointment location no later than Sept. 22, 1997 to: **The World Bank, Staffing Center, Room S5-075, (Ref #: FIN-MGT), 1818 H Street, N.W., Washington, D.C. 20433, USA. FAX (202) 477-3834.** Women and developing country nationals are particularly encouraged to apply.

The World Bank

Appointments Advertising

appears in the UK edition every Monday, Wednesday & Thursday and in the International edition every Friday.

For further information please contact:
Toby Finden-Crofts
+44 0171 873 4027

Financial Times

The world business organisation present in 130 countries is seeking for its Paris-based International Secretariat:

Director of Finance and Administrative Services

ICC

Wide experience of financial control. Knowledge of French tax and labour legislation essential. Perfectly bilingual in English and French. International outlook. Professional background in industry or financial sector. Solid expertise in information technology (personal computers and networks). Good interpersonal skills, ability to work well under pressure and as part of a high-level international team. All nationalities may apply.

Please send comprehensive CV, photograph and salary details in confidence to the International Chamber of Commerce - attention First Director - 38, cours Albert 1er - 75008 Paris (France) Fax: (33.1) 49 53 28 96

ICC

...UNTANT

A new position has been created in the investment management office, located in Bermuda, of a family owned group of companies.

NEWLY QUALIFIED

A newly qualified accountant is required to assist with the accounting and reporting for investment portfolios, and other financial reports.

The successful individual will have excelleot analytical skills, and experience in preparing and presenting financial management information. The individual should also be fully competeot in the use of computers, and be willing to assist in the maintenance and development of the IT systems.

He/she will be prepared to work in a small team, and be willing to undertake a wide variety of duties aod additional responsibilities as, and when, necessary.

Some travel may also be required.

Applications in writing, marked *'Private & Confidential'*, to:
Personnel Manager,
Andalex Investments BV
Hooigracht 5
2514 BE Den Haag
Netherlands

GROUP FINANCE DIRECTOR

The Group, located in Stratford-on-Avon, is a fastgrowing, international property organisation which is well funded, acquisitive, and has an exciting portfolio for present and future growth.

This is a key new position at the most senior level. Responsibilities include financial strategy, controllership and information technology. The person appointed will work closely with colleagues on all strategic, commercial and operational issues and will manage the relationships with external advisors and investors. They will ensure that the Finance function is involved in all areas of the business, makes maximum use of working capital and identifies opportunities for enhanced profitability.

Candidates should be qualified accountants with, ideally, experience of the sector. They must be strategic thinkers, creative and innovative especially in the stucturing of financial packages, comfortable with an entrepreneurial management style and be genuinely committed to corporate teamwork. Experience of city financial institutions would be a major asset.

Please reply in writing, in strict confidence, and with current salary details to the Company's advisor.

GARTH HERON
search & consultancy
4 Wemyss Place, Edinburgh EH3 6DH
Tel: 0131-226-4266 Fax: 0131-225-9518

FT IT Recruitment appears each Wednesday in the UK edition, and each Friday in the international edition

For more information on how to reach the top IT professionals in business call:

Chris Ibbotson on 0171 873 33 51

IT Appointments

FIRST CHICAGO NBD

The First National Bank of Chicago

Systems Auditor **Excellent Package**

First Chicago NBD, the eighth largest US Bank, is currently expanding its international activities. Following a recent promotion there is an opportunity for a high calibre IT professional to join the International Audit team based in London.

The role requires involvement in leading-edge systems development initiatives supporting the Bank's worldwide activities in treasury, derivatives and international banking. This is a highly visible and autonomous position involving limited travel to Asia and the United States, and requiring the ability to deal with management at all levels. The department adopts a consultative, proactive approach and maintains a risk based focus.

Ideally you will be a graduate with a professional qualification. Exposure to UNIX, client server architectures and PC based applications would be beneficial. Previous banking experience is not required but ambition, enthusiasm and a willingness to learn are essential. The career prospects for the right candidate are superb.

To apply please send a full CV with details of your current package quoting reference 376a to our advising consultant Matthew Clark at:
Parkwell Management Consultants Ltd, 8 Wilfred Street, London, SW1E 6PL
Tel: 0171-630-8000 Fax: 0171-233-5205 Email: parkwell@compuserve.com

ANALYST DEVELOPER EQUITY DERIVATIVES

PACKAGES £30-£45,000 + BONUS + BANKING BENEFITS

As one of the world's foremost global integrated investment banks, our client has an enviable reputation for Leadership in financial product development and technological innovation. Committed to occupying a position of leadership in the move toward global systems using the very latest technologies, they recognise that this can only be achived with the contribution of talent individuals who possess excellent business and technology skills. In order to sustain and maintain the momentum built by their successful trading performance, our client wishes to attract and develop business oriented IT professionals with drive and vision.

The Role is ....

- To work very closely with sales, trading and risk professionals within the bank's equities/equity derivatives areas.
- To support trading activities by analysing requirements for (and then designiog and delivering) effective front-office applications to gain business advantage.
- To operate both independently and within small teams whilst nevertheless demonstrating an organised methodical approach to systems development.
- To add value to your technical skills by utilising, or quickly gaining, an understanding of investment banking products and processes.

You will ....

- Demonstrate the ability to work productively both independently and in a team environmeot and the communication skills to liaise effectively with business users and technology colleagues.
- Possess at least 24 months experience of systems development within a Unix (Solaris/Sybase) environment using C or C++ and show familiarity with formal methods of systems development.
- Have preferably, but not essentially, gained previous experience in an investment banking environment.
- Be regarded as an exceptionally able, proactive delivery focused IT professional with the mental ability to grasp quickly complex business processes and instruments.

If you are actively looking or merely speculating please cootact our retained consultants Danielle Lorenz, Adam Smith or Johnathan Leigh. Please contact us or send through your CV.

Huxley
INVESTMENT BANKING
17 St Helens Place, London EC3A 6DE

Tel: 0171 335 0005
Mobile: 0976 721 437
Fax: 0171 335 0008
Email: jobs@huxley.co.uk

Senior Project Managers Product & Market Development Global Capital Markets

Highly Attractive Salary + Bonus + Benefits

Our client is a major participant in the world's financial risk management markets with offices in the core financial centres of Europe, Asia and North America. Developing pioneering efficient interest rate, foreign exchange, commodity price and equity risk management strategies and techniques, they have established themselves as a leader in global risk management.

Working within the Product and Market Development team, the successful candidate will be working in a highly competitive and pressurised environment. It is a results oriented environment providing a customised service and cost efficient tools to manage risk, improve returns and implement new market strategies.

The individual will:

- Be proactive and be able to identify new strategic business opportunities in both cross product and emerging markets.
- Have the technical aptitude and project management ability to prototype, develop and deliver new financial and IT products in a competitive time frame, whilst identifying risk and its inherent downside.
- Be able to understand and distil topical strategic business and technology issues that are driving the future of the Capital Markets industry.
- Be able to translate these strategies and lead them into commercially viable projects either as part of, or managing, multi-disciplinary teams.

A good first degree (2:1+), preferably in a finance, economics, engineering, mathematical or statistical related discipline is required as a minimum. A solid understanding of the global capital markets industry, specific product knowledge in FX, securities, derivatives, emerging markets and/or commodities. A solid understanding of new technologies and the application of business modelling and spreadsheet based analysis is essential.

The ability to react quickly, deliver results and meet deadlines is essential. The individual will have presented at all levels from senior board members to junior technicians and a high standard of written work combined with excellent communication skills are a prerequisite.

For a confidential discussion please contact Edward Hunter Blair or Nigel Haworth, Tel: 0171 236 2400, Fax: 0171 236 0316 or apply in writing to Sheffield-Haworth Ltd, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

SHEFFIELD-HAWORTH
Consultants in Search and Selection

FINANCIAL MARKETS IT DEVELOPERS

INTEREST RATE, FX AND EQUITY DERIVATIVES

Outstanding intellectually, mathematically and technically challenging opportunities

Hong Kong **Excellent remuneration and relocation package**

Our client is the highly successful Asian Merchant Banking subsidiary of a global financial organisation. They have assembled an elite team of trading professionals and risk managers from leading US and European investment banks to create an entrepreneurial firm at the very leading edge of financial product innovation. To help sustain their dynamic business growth, they wish to attract and develop business oriented, mathematical technologists. With the drive and vision to genuinely help shape the future of this leading player within the rapidly expanding Asian timezone markets, you will have the talent, motivation and maturity to succeed in an environment where over achievement is the norm.

The role is to...

- identify, analyse, develop and deploy software applications for a proprietary trading business.
- work closely with trading, risk and financial control professionals, in many cases as the primary architect and developer.
- take ownership for the management and delivery of software that adds significant commercial benefit to our diverse derivatives business (interest rate, FX and equity).

You will...

- have strong software design and development skills with planning and scheduling competencies learnt within medium sized projects.
- possess a complete understanding of the complex mathematics which underpin modern trading systems (of particular interest are individuals with financial analytics and product accounting skills for cash and derivatives interest rate, currency and equity products).
- be a talented C++ (on NT or Unix) or Visual Basic developer with exposure to any of the following an advantage: MSOffice/Back Office development (Excel, Access, Exchange/ Outlook); MS SQL Server or Sybase; real-time financial data systems (Triarch or TIB).

For further information please contact Kevin Davey, quoting reference KDFT333, on 0171 247 7444. Alternatively, send your CV to McGregor Boyall Associates, 114 Middlesex Street, London E1 7JH. Fax: 0171 247 7475. Email: kdavey@mcgregor-boyall.co.uk or visit our web-site at www.mcgregor-boyall.co.uk

McGregor Boyall
Business & Technology Selection for Financial Markets

BANKING FINANCE & GENERAL APPOINTMENTS

Investment Analyst

£35-£40K + Car + Benefits **London**

Our client is one of the largest pension and life insurance companies in the Nordic region. It manages a global real estate portfolio of C£1.5bn and this newly created position will contribute significantly to their future portfolio strategy. Working closely with a Director, you will be central to the investment decision making process and be expected to act autonomously. Researching and analysing potential investment products, principally in Europe and Asia, you will also assist with the due diligence process for specific investment opportunities and subsequently monitor their performance.

With a good first degree in accountancy, economics or similar, you are likely to have 3 plus years gained in equity research, accountancy or economics and have developed a strong background in quantitative research. Property knowledge is not a prerequisite but you should have a first class understanding of equity investment products. You will also need some understanding of international taxation.

With highly developed analytical and quantitative skills you will be capable of working to advanced level on spreadsheets. Professional and commercially astute, you will possess exceptional written and verbal communication/presentational skills. Personal career development and training is a priority and support will be given for IIMR exams or similar. Some travel to Asia and Europe.

Interested? Apply to Linda Steel, Ideachange Limited, Human Resource Consultants, Horseshoes House, Bledlow Road, Princes Risborough, Bucks HP27 9NG or telephone her confidentially on +44 01844 275788 (office) or +44 01844 274957 (eve/weekends). E-mail: ideachange@compuserve.com

ideachange

Fund Manager - UK Equities

Major City-based asset management company

Our client, a major asset management company with a distinctive growth investment style, has a requirement for a fund manager in its UK equities team. Responsibilities will include the management of a number of portfolios and the analysis of large compaoies in specific market sectors.

At least 3 years' experienee of eovering larger UK eompanies is required. Experience of managing a fund would be an advantage but investment analysts who are keen to assume fund management responsibility will also be considered. In addition to possessing well developed communication skills, candidates must be able to demonstrate a rigorous approach to analysis and the willingness to work within a disciplined, team-orientated environment.

The position offers a highly competitive remuneration paekage ineluding an attractive performance related bonus plan, a friendly, professional working atmosphere and exeellent career development prospects. If you would like to be considered for this opportunity, please write in confidence to:-.

IMR Recruitment Consultants, No. 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW (tel. 0171 872 5447).

I M R
INVESTMENT MANAGEMENT RESOURCES

EUROPEAN SYNCHROTRON RADIATION FACILITY

ESRF
in Grenoble, France.

*The **ESRF** is a research institute in Grenoble, France, funded by twelve European countries. Its main task is to produce X-ray synchroton radiation and to support its use by scientific communities. The **ESRF** wishes to recruit its*

DIRECTOR OF ADMINISTRATION (m/f)

for a period of up to five years, beginning on 1 October 1998

The Director of Administration is charged with the organisation of the administrative work related to the operation of the institute constituted as a French "Société civile" (~FRF 400 million annual budget, ~500 staff, ~9000 external users per year).
This includes administrative and legal relations with external companies, institutes and the Members of the ESRF. He/she leads the Administration Division (36 posts) including Human Resources, Finance and Central/Commercial Services.

Further information on the ESRF and on the post can be found on the ESRF's website (http://www.esrf.fr/)

The successful candidate should have:
a professional qualification in economics, law or science, well-developed conceptual and organisational skills, experience in a similar post within a scientific environment, working knowledge of English and some French (any other European language would be an asset).

*Individuals wishing to apply their conceptual skills, knowledge and experience in the operation of the ESRF should send their written applications **by 1 October 1997** to the:*

Chairman of the ESRF Council * Ref. DIRADM
BP220 * F-38043 Grenoble CEDEX 9 * FRANCE

UNIVERSAL COMMUNICATION

Renault V.I.,
3e constructeur mondial de véhicules industriels, est présent en Europe et aux Etats-Unis avec Mack Trucks. Dans le monde entier, réussir une vente nécessite souvent de monter un financement pour le client potentiel. C'est l'une des missions principales de la Direction des Services Financiers. Sur les marchés émergents, cette activité représente une composante essentielle de notre stratégie de conquête.

RENAULT

Négociateur Financier Export Expérimenté

Rattaché au Responsable du Service des Affaires Financières Internationales, vous menez la recherche et le montage de financements des opérations commerciales à l'international. Cette mission vous conduit à collaborer étroitement avec notre force commerciale, notamment lors de fréquentes missions conjointes hors Europe.

De formation supérieure, vous justifiez d'une expérience de 4 années minimum du financement du commerce international, acquise dans le secteur bancaire ou dans un groupe industriel. A la fois créatif et rigoureux, vous avez le sens de la négociation et disposez de grandes qualités relationnelles. Vous maîtrisez parfaitement l'anglais.

Ce poste vous ouvre de larges perspectives d'évolution au sein de notre Groupe, tant dans les secteurs financiers que commerciaux. Il est situé à Suresnes, en proche banlieue parisienne.

Merci d'adresser votre dossier de candidature (lettre manuscrite, CV et photo), sous la référence NFE/EF à Renault V.I., Recrutement des Cadres, 40 rue Pasteur, BP 302, 92156 Suresnes.

RENAULT V.I.

MEDIA SYSTEM

FT
FINANCIAL TIMES
Television

FRANKFURT CORRESPONDENT

FT Television seeks a young and energetic correspondent for its award-winning output, mainly on Europe's leading business channel, CNBC.

The successful candidate will be a journalist with good knowledge of Germany's business community and financial markets. He or she will be expected to contribute live to rolling business news programmes and to prepare regular video journalist reports.

Please reply with full CV to:
Andrew Clayton
Editor, Financial Times Television
1 Stephen Street
London W1P 1PJ

A Pearson Television Company